



January 12, 2022

WHAT YOU NEED TO KNOW ABOUT

# Funding the Government this Year

## PRO POINTS

- **Even though fiscal 2022 is well underway, the federal government is still running on a stopgap spending measure that keeps the Pentagon and every non-defense agency bumping along at old funding levels struck at the end of Donald Trump's presidency.**
- **At midnight on Feb. 18, the current stopgap will expire.** While Congress is likely to pass a bill in time to avoid a shutdown when that deadline rolls around, lawmakers could easily end up clearing yet another short-term patch.
- **If Biden administration officials and congressional leaders can strike a topline agreement on overall funding for defense and non-defense funding, however, it's possible a final spending package could be finalized by the Feb. 18 deadline or in the weeks that follow.**

## HOW WE GOT HERE

Just before the Oct. 1 start of the new fiscal year, Congress cleared a short-term funding patch, keeping spending levels static through Dec. 3 and buying lawmakers nine more weeks to work toward a final agreement to fund the government for fiscal 2022.

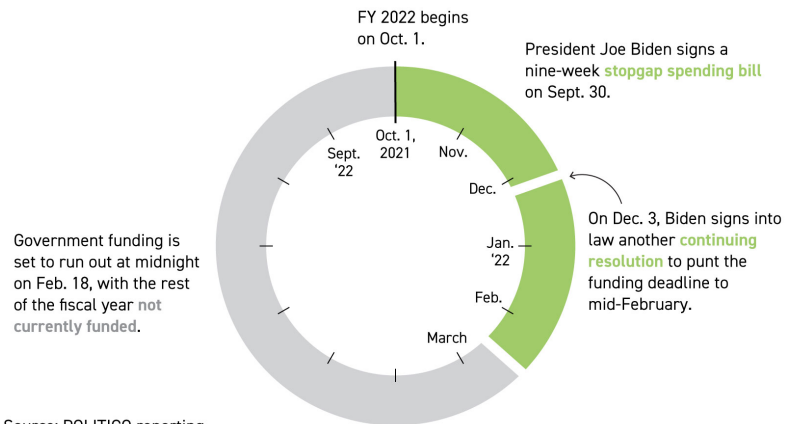
But no such bipartisan compromise came together in that time. So in early December, Congress cleared yet another stopgap, punting the new deadline to Feb. 18.

Republican leaders have for months insisted that they won't begin negotiations on a final funding package until their Democratic colleagues agree upfront to retain more than two dozen "legacy" policy stipulations, like the longtime Hyde amendment ban on federal money being used to fund abortions.

## Government funding slated to run out next month

Congress has cleared two spending patches this fiscal year to prevent a government shutdown as lawmakers work to strike a final funding deal. The next deadline will hit in mid-February, when appropriations are scheduled to run out once again.

TIMELINE FOR FUNDING FISCAL YEAR 2022



Since returning to the Capitol in the new year, however, GOP lawmakers are more optimistic in their forecasts for striking a final funding accord. Sen. Richard Shelby, the Senate's top Republican appropriator, said in early January that funding negotiations seemed to be headed in the right direction. "We're still talking, and we're not there yet. We also are aware that we've got a Feb. 18 deadline," the Alabama Republican told POLITICO. "Could we meet it? Probably not, but I'd like to see us do it."



Senate Minority Leader Mitch McConnell also said Republicans are willing to negotiate a fiscal 2022 funding package before the Feb. 18 deadline, so long as their main demands are met: “basic traditional riders, no poison pills, and parity for defense and non-defense,” the GOP leader said.

### WHAT'S NEXT

Congress is no longer living under the decade-long threat of sequestration. But lawmakers are still expecting the same kind of funding caps to guide the spending process, even though it's not necessary anymore to slate a budget agreement to thwart automatic cuts.

Those “topline” discussions between congressional leaders and Biden administration officials could propel negotiations toward a final funding package.

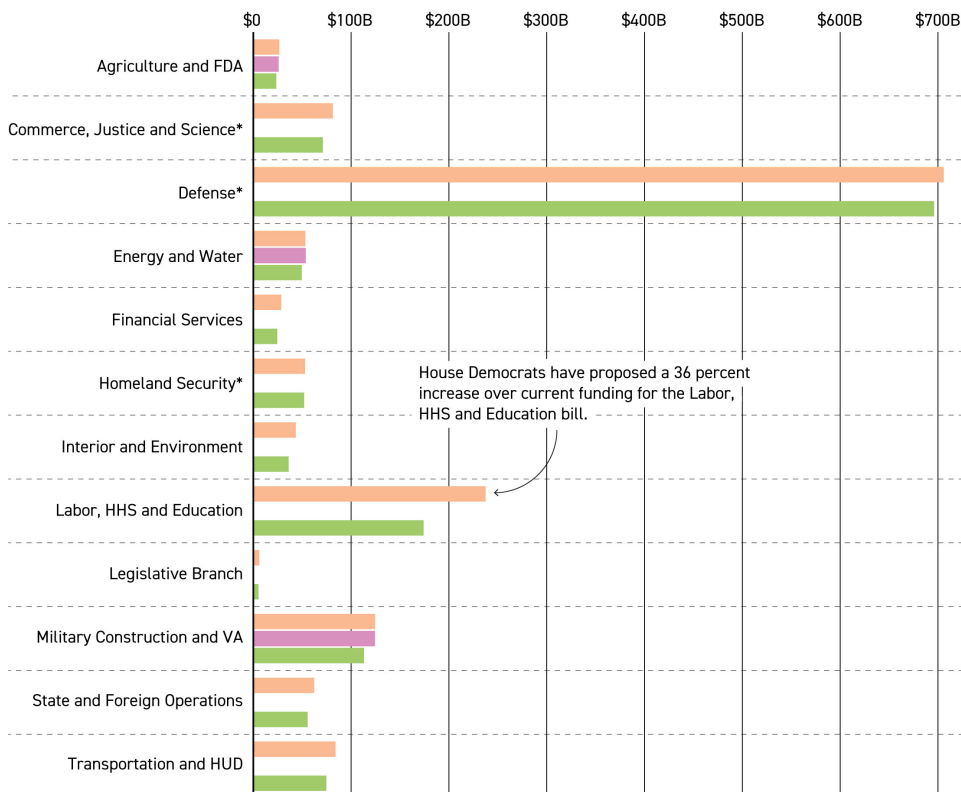
If that deal-making isn't done by the Feb. 18 deadline, top appropriators hope Congress could close out negotiations in the weeks that follow. “I think there's real interest in getting a bill ...” said Sen. Roy Blunt (R-Mo.), the top GOP senator on the Labor-HHS-Education spending panel. “So I'm hopeful that by February the 18th we're looking at a bill that can be completed no later than sometime in March.”

### House spending bills call for increase over current levels, while Senate in standstill

The House has passed bills to fund nine out of 12 spending areas over the 2022 fiscal year. The Senate, however, has not passed any. In absence of new spending laws, funding levels from last year have been extended.

#### PROPOSED FISCAL 2022 FUNDING

House bill    Senate bill    FY 2021 funding level



House Democrats have proposed a 36 percent increase over current funding for the Labor, HHS and Education bill.

\*Spending bills not yet passed by the House  
Sources: Congressional Research Service, POLITICO reporting



## POWER PLAYERS

- **Rep. Rosa DeLauro (D-Conn.), chair of the House Appropriations Committee:** The current funding negotiations are DeLauro's first shot at cutting a deal to fund the government since she took over as chair of the House spending panel last year.
- **Sen. Patrick Leahy (D-Vt.), chair of the Senate Appropriations Committee:** The retiring Vermont Democrat is known for his friendship with his Republican counterpart on the committee, Sen. Richard Shelby of Alabama. But Republican funding ultimatums have exasperated Leahy in recent months.
- **Rep. Kay Granger (R-Texas), ranking Republican on the House Appropriations Committee:** Granger repeatedly criticized House Democrats last summer for passing fiscal 2022 spending bills that stand no chance of clearing the Senate. "The difference of opinion on funding priorities and policy positions, I'm afraid, could slow down our appropriations process this year..." the Texas Republican said in June.
- **Sen. Richard Shelby (R-Ala.), ranking Republican on the Senate Appropriations Committee:** Shelby consistently insists that "anything's possible" in funding negotiations, as long as both parties are motivated to strike an accord. "If we could cut a deal, and it's something we could live with, that's what this place is about," he said in early January. "But it has to be something that would be palatable to our caucus and theirs too — maybe not everything everybody wants."