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You Can't Get There from Here: House Republicans Manage to Kick the Can Down the Road on Funding the Government

Late last Wednesday night, the Senate passed a new continuing resolution (CR) to keep the federal government operating into early next year on an overwhelming bipartisan vote, averting a possible shutdown last Friday at midnight. Instead of going down to the wire, Congress accomplished the task 48 hours before the current stopgap funding expired. The Senate acted on a House–approved CR (H.R. 6363) that kicks tough decisions down the road, delaying the inevitable partisan clash over the content of a final fiscal year (FY) 2024 spending package and setting up the prospect of more brinksmanship to avoid a government shutdown in just over two months from now. The House Republican caucus under new Speaker Mike Johnson (R–LA) continues to struggle to find its way to an agreement to fund the federal government with Senate Democrats and the White House. There is still no roadmap.

The newly enacted bill, signed by President Biden on Thursday, is considered a "clean" CR in appropriations parlance, meaning that it continues program funding across the government at the FY 2023 appropriated levels and makes no changes in law or policy, except for a limited number of "anomalies." However, the measure sets up an unusual timetable, which has been described as "laddered" with two separate deadlines for when funding for certain parts of the federal government will expire:

- January 19: Four appropriations subcommittee bills—Military Construction and Veteran's Affairs, Agriculture, Rural Development, and Food and Drug Administration, Energy and Water Development, and Transportation and Housing and Urban Development; and
- February 2: The remaining eight subcommittee bills, including the State Department, Foreign Operations, and Related Programs bill, which funds international family planning and reproductive health (FP/RH) assistance.

Democratic Appropriations Committee leaders in both chambers decried the "laddered" approach, with Senate committee Chair Patty Murray (D–WA) lamenting during the floor debate on the CR, "I don't care for the idea of two funding deadlines and double the shutdown risk, but I voted to avoid a senseless shutdown."

The risk of a partial government shutdown in January might be intensified because funding for some of the most politically potent agencies, notably the Department of Defense, is not subject to the first deadline and would not lose funding until two weeks later in early February. (Some long-time observers of the appropriations endgame were a bit baffled that the defense spending bill was not included in the first batch since Republicans typically attempt to exploit shutdown deadlines to leverage funding increases for the military to the detriment of allocations to non-defense discretionary programs.)

Further heightening the possibility of a shutdown is a vow by Speaker Johnson that this is the last time he will support a short-term funding extension. Combined with deep antipathy and credible threats to oppose year-long CRs or omnibus spending bills that package multiple subcommittee bills into one or more massive pieces of legislation from hard-right extremist members of the House Freedom Caucus, the likelihood of continuing chaos and dysfunction in the next several months is high. Speaker Johnson brought the two-tiered CR to the House floor last Tuesday "under suspension," a parliamentary procedure typically reserved for expedited passage of noncontroversial legislation as it requires a two-thirds majority vote. Relying on near unanimous support from Democrats, the CR passed by a comfortable margin of <u>336 to 95</u>, but with 93 Republicans—over 40 percent of the GOP caucus—voting in opposition. This is a nearly identical vote count to the one on the first CR that would have expired on Friday. Cutting the same deal with Democrats on the <u>first CR</u> that was also "clean" and omitted deep spending cuts demanded by his right flank is what got Johnson's predecessor, Representative Kevin McCarthy (R-CA), ousted when right–wing MAGA members offered a successful "motion to vacate" on October 3 removing McCarthy from the speakership. But while many far–right lawmakers expressed frustration with Speaker Johnson's handling of the CR and embarrassing recent failures in bringing individual appropriations bills to the floor, the members who championed McCarthy's removal have signaled that they are inclined to grant him some room to maneuver. The honeymoon will not last, however.

Perhaps working in Johnson's favor is also the likely desire of the GOP caucus to avoid another lengthy Speaker election, bringing the House to a standstill at the beginning of an election year. The Speaker's chair was vacant for 22 days until the House Republican caucus on October 25 finally settled on Representative Johnson, a largely unknown, third-term Trump acolyte and election denial legal strategist who has espoused extreme, radical religious views on abortion, contraception, and LGBTQ+ rights. Due to the vacancy, the FY 2024 appropriations process ground to a halt as the clock ticked down on last Friday's expiration date on the first CR.

In the Senate, the CR was adopted last Wednesday by an even more overwhelming bipartisan vote of <u>87 to</u> <u>11</u>. Senator Michael Bennet (D–CO), concerned about the absence of emergency funding to Ukraine, was the lone Democratic defection. Before final passage, the Senate rejected an amendment offered by Senator Rand Paul (R–KY) that sought to impose a 15% across-the-board funding cut to current discretionary funding levels, except for the Department of Defense, military construction, and the Department of Veterans Affairs, and to rescind \$30 million in unspent tax enforcement funds from the Internal Revenue Service.

Getting Directions to Fund a Final FY 2024 Spending Deal

To recap where Congress finds itself in pursuit of the one task that it must do every year—appropriate money to finance the operations of the U.S. federal government both at home and abroad:

The House has passed seven partisan appropriations bills, including the State Department and Foreign Operations subcommittee bill, containing draconian funding cuts and radical policy "riders." At the same time, the remaining five have languished as Republicans of various ideological persuasions have balked and deserted the GOP leadership over various issues. In a few instances, the desertions were by Republican members elected in congressional districts won by President Biden in 2020 and related to aggressive attacks on abortion and reproductive health contained in committee–approved bills. House Republicans will need to compromise on their quest for deep funding cuts if they intend to attract enough support for a final deal that can make it through both chambers.

Across the Capitol in the Senate, the Appropriations Committee approved solidly bipartisan measures, consistent with the top-line spending allocations in the debt limit deal pegged to current FY 2023 funding levels and largely devoid of new "poison pill" policy changes as a result of a no new "riders" agreement between Chair Patty Murray (D-WA) and Vice Chair Susan Collins (R-ME). However, they have only brought to the floor and passed three of the 12 subcommittee bills. The State-Foreign Operations bill is not one of the three. It seems unlikely to make it to the floor given the limited number of legislative days when the Senate will be in session before the second CR expires, if for no other reason.

As previously reported, there are stark differences between the <u>House</u> and <u>Senate</u> versions of the State– Foreign Operations bills on sexual and reproductive health and rights (SRHR), with the House–passed bill cutting and capping bilateral FP/RH funding, prohibiting funding for the United Nations Population Fund (UNFPA), and legislatively codifying an expanded Global Gag Rule (GGR). At the same time, its Senate counterpart maintains the status quo on policy, sticking with current law and providing a \$25 million bilateral funding increase as well as preserving a slightly enhanced UNFPA contribution due to the passage of an amendment offered by Senator Jeanne Shaheen (D–NH) during markup.

Perhaps all this drama could have been avoided if House Republicans had stuck with the deal that

President Biden and then-Speaker McCarthy negotiated in early June to avoid an unprecedented default on the nation's financial obligations. The deal set top-line discretionary spending levels for defense and nondefense programs for the next two fiscal years to facilitate a smooth, bipartisan, bicameral appropriations process. But no sooner had the ink on the president's signature on the Fiscal Responsibility Act of 2023 dried before the House Republican majority reneged on the deal on top-line spending levels. With the tacit approval of Speaker McCarthy, Republican appropriators reverted to writing bills that rolled back funding allocations to below FY 2022 levels, which would result in cuts in the hundreds of billions of dollars to non-defense discretionary programs.

One of the features of the debt limit law sought to incentivize Congress to complete the FY 2024 appropriations process through regular order and in a timely manner was an automatic 1% across-the-board funding cut from FY 2023 enacted levels for both defense and non-defense discretionary programs if Congress fails to pass all of the full-year funding bills before the end of the calendar year. The theory is that Republicans will be motivated to complete all 12 appropriations bills to prevent cuts to defense spending while Democrats will be animated by a desire to avoid funding reductions for domestic social programs. The 1% spending cuts would be triggered on January 1 if any federal department or agency is operating under a short-term CR. But the automatic spending cuts would not go into effect until April 30, 2024, providing Congress with an additional time cushion to complete the FY 2024 appropriations process. Over the past 25 years, Congress has successfully completed the appropriations process by the end of April, except once during Donald Trump's first year in office.

Considering the alternatives, a 1% cut to bilateral and multilateral FP/RH funding with no anti–SRHR policy "riders" attached is far from the worst possible outcome for the FY 2024 appropriations process. Or if the status quo on international FP/RH funding levels and policy provisions is preserved for the 14th year in a row at the end of any final spending negotiation, that would not be an unfavorable result in the current chaotic political environment either.

The leadership of the House and Senate and the chairs and ranking members of the two Appropriations Committees reportedly have already begun informal discussions about setting top-line funding levels for each of the 12 appropriations subcommittee bills (so-called 302(b) allocations)—a necessary precursor to starting bicameral negotiations in earnest on any legislative vehicle—omnibus or otherwise—to fund the government for the remainder of FY 2024. Subcommittee members and their staff can only get so far in "pre-conferencing" their bills in the absence of these top-line spending totals. Appropriations staffers are likely to be working overtime for the next two months.

Emergency Supplemental for International Affairs Programs and PEPFAR Reauthorization Wandering in the Wilderness

While Congress successfully avoided a government shutdown, progress on the administration's <u>request</u> for \$106 billion in emergency supplemental funding for military aid to Ukraine and Israel, humanitarian assistance for Ukraine, Israel and Gaza, countering Chinese influence in the Indo-Pacific, and enhanced security at the southern U.S.-Mexican border is temporarily stalled.

Senate Majority Leader Chuck Schumer (D–NY) has assured his Democratic colleagues that a Ukraine supplemental package, likely including a border policy deal with Senate Republican counterparts, will be put up for a vote after the Thanksgiving holiday recess. Meanwhile, House Speaker Johnson is wrestling with the hardline MAGA members in his caucus who oppose assistance to Ukraine and are demanding policy concessions to reduce border crossings.

It will be critical to maintain momentum and strengthen support for a comprehensive national security emergency supplemental that includes more than \$35 billion in international affairs resources to help counter China and Russia, respond to the wars in the Middle East and Ukraine, and meet global humanitarian and hunger needs. Failure to enact this national security supplemental in a timely manner would set a dangerous precedent and could have significant financial implications for international affairs programs, including global health and humanitarian assistance, supported by the regular annual appropriation.

Addressing another pressing issue that has yet to be resolved, the next installment of this series will chronicle the struggle to reauthorize the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), which has been driven into a ditch by a mendacious campaign of disinformation and harassment by House Republican anti-abortion zealots. Stay tuned.