116TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPT. 116–35
Part 1

INVESTING FOR THE PEOPLE ACT OF 2019

R E P O R T

OF THE

COMMITTEE ON THE BUDGET
HOUSE OF REPRESENTATIVES

TO ACCOMPANY

H.R. 2021

together with

MINORITY VIEWS

APRIL 5, 2019.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

---

U.S. GOVERNMENT PUBLISHING OFFICE
89–006 WASHINGTON : 2019

COMMITTEE ON THE BUDGET

JOHN A. YARMUTH, Kentucky, *Chairman*

SETH MOULTON, Massachusetts,
Vice Chairman
HAKEEM JEFFRIES, New York
BRIAN HIGGINS, New York
BRENDAN BOYLE, Pennsylvania
RO KHANNA, California
ROSA L. DELAURO, Connecticut
LLOYD DOGGETT, Texas
DAVID PRICE, North Carolina
JAN SCHAKOWSKY, Illinois
DANIEL KILDEE, Michigan
JIMMY PANETTA, California
JOSEPH MORELLE, New York
STEVEN HORSFORD, Nevada
ROBERT C. SCOTT, Virginia
SHEILA JACKSON LEE, Texas
BARBARA LEE, California
PRAMILA JAYAPAL, Washington
ILHAN OMAR, Minnesota
ALBIO SIRES, New Jersey
SCOTT PETERS, California
JIM COOPER, Tennessee

STEVE WOMACK, Arkansas,
Ranking Minority Member
ROBERT WOODALL, Georgia
BILL JOHNSON, Ohio,
Vice Ranking Minority Member
JASON SMITH, Missouri
BILL FLORES, Texas
GEORGE HOLDING, North Carolina
CHRIS STEWART, Utah
RALPH NORMAN, South Carolina
CHIP ROY, Texas
DANIEL MEUSER, Pennsylvania
WILLIAM TIMMONS, South Carolina
DAN CRENSHAW, Texas
KEVIN HERN, Oklahoma
TIM BURCHETT, Tennessee

PROFESSIONAL STAFF

ELLEN BALIS, *Staff Director*
DAN KENIRY, *Minority Staff Director*

CONTENTS

116TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPT. 116–35
Part 1

INVESTING FOR THE PEOPLE ACT OF 2019

APRIL 5, 2019.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. YARMUTH, from the Committee on the Budget, submitted the following

REPORT

together with

MINORITY VIEWS

[To accompany H.R. 2021]

[Including cost estimate of the Congressional Budget Office]

The Committee on the Budget, to whom was referred the bill (H.R. 2021) to establish a fiscal year 2020 budget and amend the Balanced Budget and Emergency Deficit Control Act of 1985 to increase discretionary spending limits for the revised security and nonsecurity categories for fiscal year 2020 and fiscal year 2021, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE AND SUMMARY

H.R. 2021, the "Investing for the People Act of 2019," amends the Balanced Budget and Emergency Deficit Control Act of 1985 to increase the statutory caps on discretionary spending for 2020 and 2021 that were put into place by the Budget Control Act of 2011. The bill allows adjustments to the new caps to reflect certain spending for conducting the 2020 Census and for Internal Revenue Service tax enforcement activities. The purpose of the bill is to provide realistic topline funding levels that will allow enactment of appropriations bills to meet national needs without triggering sequestration of funds from myriad federal programs critical to the Nation's security and economic vitality. The bill also sets limits on the adjustments allowed for Overseas Contingency Operations, to prevent abuse of this cap adjustment. Finally, the bill establishes a fiscal year 2020 budget.

Background and Need for the Legislation

INTRODUCTION

The most urgent budgetary issue facing the Congress right now is the need to raise the statutory caps on discretionary spending. Without Congressional action, the caps will force an 11 percent cut to defense and a 9 percent cut to non-defense programs for 2020 relative to the amounts provided for 2019. Such deep cuts would have a devastating effect on U.S. national security and economic vitality. H.R. 2021, the Investing for the People Act of 2019, blocks these cuts and provides a new, more realistic, and constructive budgetary framework that will enable Congress to provide the funding necessary to secure a strong future for the American people.

The United States is an economic powerhouse and world leader because of our government's long, proud history of making strategic investments. This history dates to at least the 1840s, when Congress approved a grant for the construction of the first telegraph line. From rural electrification and the Interstate Highway System to cutting-edge health research, initial development of the Internet, and helping students of modest means pay for college, the American people have reaped the benefits of the investments they called on their government to make. Our country has also long understood that an effective national security strategy requires investment in all aspects of national power—from the military and diplomatic corps to homeland security and the promotion of broadly shared economic opportunity domestically and abroad. Enactment of H.R. 2021 would build on this legacy.

Discretionary funding (funding that Congress controls through annual appropriations bills) provides resources for hundreds of programs that make important investments and affect Americans every day. Current law imposes destructively low caps on defense and non-defense discretionary (NDD) funding for 2020 and 2021, stemming from the Budget Control Act of 2011 (BCA).[1] Without Congressional action, the BCA caps will force an 11 percent cut to defense and a 9 percent cut to non-defense programs for 2020 relative to the amounts provided for 2019. These caps were never supposed to take effect. They were part of the BCA's design to give Congress a strong incentive to develop and approve a comprehensive, bipartisan plan to reduce deficits by more than $1 trillion over the 2012–2021 period. When Congress failed to agree on an alternative deficit reduction package, the BCA's unrealistically low caps on discretionary funding took effect for 2013–2021. Congress subsequently reached bipartisan agreements in 2012, 2013, 2015, and 2018 to set more realistic discretionary funding levels, usually for two years at a time.

Congress should continue this tradition for the final two years of the BCA by raising the defense and non-defense caps for 2020 and 2021 to the levels necessary to move the Nation forward. Setting realistic caps will give Congress the ability to invest in both de-

[1] Public Law 112–25.

fense and non-defense priorities, boost economic development, and guarantee that every American family has the chance to build a better future. The time to act is now. The sooner that Congress can reach a bipartisan agreement on discretionary caps, the sooner the House and Senate Appropriations Committees will have clarity regarding "top-line" spending levels within which they can craft their must-pass legislation. Delaying this inevitable and necessary decision will only create chaos and disruption in the appropriations process at the final hour, setting the stage for another government shutdown. Congress should instead enact a new realistic budgetary framework as soon as possible.

Beginning with the BCA, Congressional Democrats have advocated for parity—that is, equivalent treatment of defense and NDD spending. H.R. 2021 follows the parity principle by applying the same dollar increase to the defense and non-defense caps. The Committee supports the tradition of refusing to pit defense and non-defense against each other, because both are important for our country. President Trump's budget request for 2020, unfortunately, does the opposite. It cuts 2020 non-defense funding by 9 percent relative to the 2019 enacted level, while it increases total defense funding by nearly 5 percent. The President's budget evades the BCA defense cap by calling for a dramatic increase in funding designated as Overseas Contingency Operations (OCO), which does not count against the cap, even though most of the funding will be used for non-OCO activities. The Committee rejects the President's lopsided priorities, as well as his use of a blatant budget gimmick. Finally, as this legislation seeks to enable timely enactment of appropriations legislation, it also establishes a budget for 2020.

INVESTING IN PROSPERITY AND A BROAD VIEW OF NATIONAL SECURITY

NDD programs encompass numerous services and investments that improve Americans' quality of life. NDD spending was 3.2 percent of GDP in 2018, well below the 50-year historic average of 3.8 percent. Boosting the resources available for NDD would allow an appropriate level of investment in projects and services to strengthen the Nation's economic foundations and promote broad-based prosperity for American families. Ensuring safe drinking water, enforcing consumer protection standards, modernizing transportation networks, providing technical assistance to small businesses, investing in energy efficiency research, improving rural infrastructure, providing vital services to veterans, and expanding the supply of affordable housing are just a few of the ways that NDD funding contributes to a stronger future for all Americans.

NDD funding is also important to the Nation's security, because a comprehensive strategy for national security involves much more than the military. Roughly one-third of NDD funding goes toward veterans' programs, homeland security, diplomatic operations, foreign aid, and Justice Department activities. Other NDD activities such as food safety, environmental protection, combatting disease outbreaks, and aviation safety are critical for a healthy economy, which is a major underpinning of our national security.

BUDGET COMMITTEE

What is "non-defense discretionary?"

- Public health and disease control
- Highways and transit grants
- Veterans' health care
- Agricultural research
- Workplace safety
- K-12 education support
- National parks
- Housing assistance and mortgage insurance
- Small business assistance
- Head Start
- Food safety
- Scientific research and space exploration
- Clean air and water
- Job training
- Embassy security
- Pell grants
- Energy efficiency research
- Hazardous waste cleanup
- Waterway maintenance for commerce and recreation
- Weather forecasting
- Hurricane-proofing communities
- Forest and wildlife habitat management
- Conservation resources for farmers
- Census and national statistics
- Patents and trademarks
- Consumer protection enforcement
- Aviation safety
- Disaster assistance
- Economic development grants to communities
- Rural infrastructure improvements
- Drug safety assessments
- Child care
- Refugee assistance
- Special nutrition assistance for women, infants, and children
- Help with heating and cooling bills for struggling families and senior citizens
- Customs and border protection
- Federal courts
- Immigration enforcement
- FBI
- Combating illegal drugs
- Secret Service
- Preservation work at the National Archives
- Enforcing campaign finance rules and protecting free and fair elections
- Much, much more...

H.R. 2021 sets discretionary funding caps for 2020 and 2021 that will support much-needed investments in these areas. For 2020, the bill sets the non-defense cap at $631 billion. This represents a $34 billion (5.7 percent) increase above the 2019 cap and is $88 billion above the current-law 2020 cap. H.R. 2021 sets the 2021 non-defense cap at $646 billion to maintain purchasing power. Separately, H.R. 2021 allows up to $8 billion per year for non-defense OCO activities that do not count against the caps.

One reason that NDD funding must increase is to fulfill the promise of the VA MISSION Act.[2] That law provided veterans with greater health care choice, but it shifted the cost of community health care—initially estimated at $10 billion or more per year—from the mandatory side of the federal budget to the discretionary side starting in June 2019. Certain other key NDD programs will need a funding increase just to maintain current services due to higher market costs, increased demand, or other factors. To provide for these vital needs without increasing overall NDD funding would force harmful reductions in other important investments.

Cap Adjustments for the 2020 Census and IRS Tax Enforcement

H.R. 2021 includes provisions that allow two new adjustments to the non-defense caps to accommodate funding increases for specified purposes.

First, the bill provides an upward adjustment to the 2020 discretionary spending limit to provide for the $7.5 billion necessary to carry out the 2020 Census as required under the Constitution. Failure to adequately fund the Census would lead to an undercount of the population, resulting in an incorrect apportionment of representation and misallocation of a broad range of federal funds. A one-time cap adjustment for the 2020 Census makes sense because it is not a recurring annual expense.

Second, H.R. 2021 allows increases to the discretionary limits of up to $400 million for 2020 and $750 million for 2021 to reflect additional appropriations above a base amount of $8.6 billion provided for tax enforcement activities, including tax compliance to address the federal tax gap, at the Internal Revenue Service (IRS).

The Committee believes providing this adjustment will allow the IRS to reduce tax noncompliance and produce significant net savings. Since 2010, IRS enforcement funding has declined by 25 percent after adjusting for inflation, and the enforcement division has lost roughly 30 percent of its workforce. The cuts have driven a more than 40 percent decline in the rate of audits, especially for high-income individuals and large corporations, while enforcement needs have grown as a result of the 2017 tax law. The new tax law's design will invite taxpayers, particularly wealthy individuals and corporations with means to hire accountants and lawyers, to aggressively push against the boundaries of the new law. Adequately funding IRS enforcement is necessary to identify those who step over the boundaries or break the law.

The President's 2020 budget proposes an increase for IRS enforcement of roughly $15 billion over 10 years (including $362 million in 2020), which is estimated to generate $47 billion in additional revenue. The Administration estimates that once fully oper-

[2] Public Law 115–182.

ational, the enforcement activities are expected to generate roughly $3 in additional revenue for every $1 in IRS expenses. There is a lengthy bipartisan history of exempting program integrity funding that reduces errors, overpayments, and fraud in government programs from discretionary spending limits.

SUPPORTING A STRONG DEFENSE AND ENSURING ACCOUNTABILITY

H.R. 2021 provides the resources for the most powerful military in the world to maintain a vigorous defense against potential threats, but also to ensure those serving in uniform have the support they deserve, including providing a 3.1 percent pay raise and more resources for adequate housing. Recent reports of hazardous housing conditions for the troops are alarming, and all deficiencies in military housing needs to be identified and corrected immediately. The country gives our military personnel a difficult job, and the least we can do is provide for their basic needs.

H.R. 2021 sets the defense discretionary cap for 2020 at $664 billion. This represents a $17 billion (2.6 percent) increase from the 2019 level. Just like the NDD level in this bill, the recommended defense cap is $88 billion above the current-law cap for 2020. H.R. 2021 sets the 2021 defense cap at $680 billion. These levels exclude amounts designated for OCO, which do not count toward the caps.

Eliminate the Overseas Contingency Operations (OCO) Budget Gimmick

For 2019, Congress provided $69 billion for defense-related OCO. The President's budget proposes to drastically increase the defense OCO amounts for 2020 and 2021, solely to evade the BCA defense discretionary funding caps. The Administration admits that this is its strategy. A footnote on page 134 of the main Budget volume states: "In order to fully resource national defense requirements, funding above the current law caps will also be necessary. The Budget therefore increases OCO amounts in 2020 and 2021 to nearly $165 billion and $156 billion, respectively. These amounts fund direct war costs, enduring in-theater support, and certain base budget requirements."

The Committee rejects the President's 2020 budget proposal to use the OCO designation as a loophole to circumvent budget caps and add nearly $100 billion for defense while shortchanging important non-defense investments critical to our national and economic security. This blatantly dishonest gimmick—which is unprecedented in its scale—makes a mockery of the budget process and flouts the basic principles of open and honest governance. Moreover, using the OCO designation in this way does not properly address our national security needs. Strong national security requires a comprehensive review of all components of our national power and transparent and rational budgeting to properly allocate resources.

H.R. 2021 caps OCO funding at current levels for 2020 and 2021, the last two years of discretionary budget caps under the BCA, to prevent further abuse of the OCO designation. It is Congress' intent to transfer activities funded with OCO back to the base budget starting in 2022 when the congressional budget process returns to regular order and budget resolutions are once again the legislative vehicle for setting the discretionary top line.

The original purpose of the OCO designation was to provide a mechanism to budget for unforeseen overseas operations, but also to track funding for those activities separately so that once operations ceased, Congress could easily make appropriate funding reductions. However, current OCO funding and implementation has grown significantly to fund our ongoing military operations abroad. In short, while the OCO designation was originally intended to provide transparency, over time it has come to undermine transparency.

Unfortunately, the OCO designation has become a convenient way to make an end-run around the BCA caps. This led to administrations requesting and Congress approving billions of OCO dollars for active-duty end strength, operating requirements, weapon system upgrades, and other activities that normally would be funded within the base budget. It also stopped OCO costs from transferring to the base budget as they became "enduring," or part of the Department of Defense's (DoD) long-term defense posture. DoD estimates these activities cost more than $40 billion per year.

Abusing the OCO designation has obscured the true cost of our military operations. The ad hoc nature of adding OCO funds a year at a time for regular activities has precluded providing the funding certainty that DoD expects for medium- and long-term planning, and that the Congress needs to provide critical oversight of the Department. Including high-priority base-budget activities in the OCO budget distorts defense planning because they are excluded from the Pentagon's five-year defense plan. This bifurcation shelters lower-priority programs from tradeoffs and promotes wasteful spending.

Congress owes it to the American people to end the OCO gimmick and to allocate their tax dollars in a transparent manner and in a way that ensures that government runs efficiently and effectively. H.R. 2021 is a first step toward that goal.

Achieve Clean Audit at the Department of Defense

By limiting the use of the OCO designation, H.R. 2021 takes one step toward improving DoD budget accountability. Another area where improvement is needed relates to the DoD audit. Congress is deeply concerned about DoD's inability to pass an unqualified audit. In 2018, DoD failed its first ever department-wide audit, and it is the only federal agency yet to pass one. The audit came nearly 30 years after the passage of the Chief Financial Officers Act of 1990, which established the requirement for annual audits of financial statements for federal agencies. The audit uncovered significant technology systems, security, and systemic deficiencies in DoD's financial management systems. These deficiencies prevent DoD from collecting and reporting financial and performance information that is accurate, reliable, and timely to Congress and the taxpayers.

Clean financial statements are an important element for any organization, especially DoD, to operate efficiently and effectively. And in the case of DoD, which spends more than half of all discretionary appropriations Congress approves each year, it is critical that it spend every dollar it gets wisely and with proper oversight from Congress. There are many examples of waste and mismanagement at DoD, including untracked inventories, duplicative work, and undisciplined acquisition practices. DoD owes it not just to the taxpayer, but also to the service members who are sacrificing every day to protect the country, to improve in these areas.

DoD spent nearly $1 billion on activities related to the 2018 audit—$413 million to conduct the audit itself, $406 million on audit remediation, and $153 million on financial system fixes. However, DoD has more work to do before it can pass an agency-wide audit—and it could take years. It is also Congress' intent to reduce defense waste, have greater transparency, and eliminate mismanagement at DoD. While H.R. 2021 allows for an increase in defense funding, Congress must exercise aggressive oversight to track and account for the money that is being spent and to ensure DoD follows through with performing annual audits, implementing recommendations, and achieving a clean audit as quickly as possible. Congress also encourages DoD to complete its full audit before the end of the calendar year and report back to Congress.

ENSURING ECONOMIC VITALITY IN YEARS TO COME

The federal budget is more than simply spending out versus revenues in. Federal investments today can result in better economic and social outcomes over time. Public health provides a good example. At a Budget Committee hearing held on February 7, 2019 to discuss the importance of discretionary investments, Dr. Umair A. Shah, Executive Director of Harris County Public Health in Texas, stated:

> The evidence is growing that cuts to public health create a false economy, by saving pennies today, governments wind up with a dollar of cost tomorrow. A recent study in Public Health Reports found that a 10 percent increase in local public health expenditures corresponded with 7.5 percent fewer cases of infectious diseases and a decrease in 1.5 percent Years of Potential Life Lost—a technical term to measure premature mortality. A recent systematic review of 18 different public health programs found that investments in local public health had calculated substantial, positive ROIs [return on investments].

Other areas where federal spending has significant positive payoffs for the economy and society include education and certain physical and technological infrastructure. At the same hearing, Sarah Abernathy, Deputy Executive Director of the Committee for Education Funding, noted that participation in high-quality early childhood education has major long-term benefits—"a return of more than $7 for every $1 invested through better lifetime outcomes in terms of increased health, reduced crime, higher employment and income, and more civic involvement."

Rising federal deficits have long been a concern for the Budget Committee. But concern about federal budget deficits must be balanced against the need to invest in the American people and communities and confront the serious challenges facing us, from rising income inequality to climate change. At a time when interest rates are low, a single-minded focus on deficit reduction at the expense of addressing our national needs would be counterproductive. Moreover, not all deficit spending is the same. Congressional Republicans in the 115th Congress spent $1.9 trillion on tax cuts that primarily benefited the wealthy and corporations. The tax cuts are not solving any of the problems facing American families, from unaffordable child care, to the high cost of education, to decades-long wage stagnation and growing inequality. Addressing these problems in a meaningful way and building a foundation for a vibrant economy with broad-based prosperity will require investment: in people, in communities, in infrastructure. The time to make those investments is now.

Hearings

Pursuant to section 103(i) of H. Res. 6 for the 116th Congress, the following hearing was used to develop H.R. 2021: Investing in America's Economic and National Security on February 7, 2019. The hearing considered the broad array of programs and activities supporting national security and economic prosperity that are at risk of deep cuts under current law. The Committee heard testimony from Sarah Abernathy, the Deputy Executive Director of the Committee for Education Funding; Steven Kosiak, adjunct senior fellow at the Center for a New American Security; Dr. Umair A. Shah, the Executive Director of Harris County Public Health; and Gordon Gray, the Director of Fiscal Policy for the American Action Forum.

The following related hearings were also held: The President's 2020 Budget on March 12, 2019; the Department of Health and Human Services FY 2020 Budget on March 26, 2019; and the Department of Defense's Fiscal Year 2020 Budget Request on March 27, 2019.

Committee Consideration

On Wednesday, April 3, 2019 the Committee met in open session and ordered the bill, H.R. 2021 favorably reported, without amendment, by a rollcall vote of 19 to 17, a quorum being present.

Committee Votes

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, the Committee advises that the following votes occurred during the Committee's consideration of H.R. 2021.

A motion to postpone, offered by Mr. Flores

ROLLCALL VOTE 1

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
YARMUTH (KY) (Chairman).	......	X	....	WOMACK (AR) (Ranking).	X	......	....
MOULTON (MA)	......	X	....	WOODALL (GA)	X	......	....
JEFFRIES (NY)	......	X	....	JOHNSON (OH)	X	......	....
HIGGINS (NY)	......	X	....	SMITH (MO)	X	......	....
BOYLE (PA)	......	X	....	FLORES (TX)	X	......	....
KHANNA (CA)	......	X	....	HOLDING (NC)	X	......	....
DELAURO (CT)	......	......	....	STEWART (UT)	X	......	....
DOGGETT (TX)	......	X	....	NORMAN (SC)	X	......	....
PRICE (NC)	......	X	....	ROY (TX)	X	......	....
SCHAKOWSKY (IL)	......	X	....	MEUSER (PA)	X	......	....
KILDEE (MI)	......	X	....	TIMMONS (SC)	X	......	....
PANETTA (CA)	......	X	....	CRENSHAW (TX)	X	......	....
MORELLE (NY)	......	X	....	HERN (OK)	X	......	....
HORSFORD (NV)	......	X	....	BURCHETT (TN)	X	......	....
SCOTT (VA)	......	X	....	....	......	......	....
JACKSON LEE (TX)	......	X	....	....	......	......	....
LEE (CA)	......	X	....	....	......	......	....
JAYAPAL (WA)	......	X	....	....	......	......	....
OMAR (MN)	......	X	....	....	......	......	....
SIRES (NJ)	......	X	....	....	......	......	....
PETERS (CA)	......	......	....	....	......	......	....
COOPER (TN)	......	X	....	....	......	......	....

The motion to postpone was not agreed to by a rollcall vote of 14 ayes and 20 noes.

Amendment No. 1, offered by Mr. Stewart, to increase the defense discretionary cap level was not agreed to by voice vote.

Amendment No. 2, offered by Mr. Roy, to decrease the non-defense discretionary cap level

ROLLCALL VOTE 2

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
YARMUTH (KY) (Chairman).	......	X	....	WOMACK (AR) (Ranking).	X	......	....
MOULTON (MA)	......	X	....	WOODALL (GA)	X	......	....
JEFFRIES (NY)	......	......	....	JOHNSON (OH)	X	......	....
HIGGINS (NY)	......	X	....	SMITH (MO)	X	......	....
BOYLE (PA)	......	X	....	FLORES (TX)	X	......	....
KHANNA (CA)	......	X	....	HOLDING (NC)	X	......	....
DELAURO (CT)	......	X	....	STEWART (UT)	X	......	....
DOGGETT (TX)	......	X	....	NORMAN (SC)	X	......	....
PRICE (NC)	......	X	....	ROY (TX)	X	......	....
SCHAKOWSKY (IL)	......	X	....	MEUSER (PA)	X	......	....
KILDEE (MI)	......	......	....	TIMMONS (SC)	X	......	....
PANETTA (CA)	......	X	....	CRENSHAW (TX)	X	......	....
MORELLE (NY)	......	X	....	HERN (OK)	X	......	....
HORSFORD (NV)	......	X	....	BURCHETT (TN)	X	......	....
SCOTT (VA)	......	X	....	....	......	......	....
JACKSON LEE (TX)	......	X	....	....	......	......	....
LEE (CA)	......	X	....	....	......	......	....
JAYAPAL (WA)	......	X	....	....	......	......	....
OMAR (MN)	......	X	....	....	......	......	....
SIRES (NJ)	......	X	....	....	......	......	....
PETERS (CA)	......	X	....	....	......	......	....
COOPER (TN)	......	X	....	....	......	......	....

The amendment was not agreed to by a rollcall vote of 14 ayes and 20 noes.

Amendment No. 3, offered by Mr. Hern, to strike the cap adjustments

ROLLCALL VOTE 3

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
YARMUTH (KY) (Chairman).	......	X	....	WOMACK (AR) (Ranking).	X	......	....
MOULTON (MA)	......	X	....	WOODALL (GA)	X	......	....
JEFFRIES (NY)	......	......	....	JOHNSON (OH)	X	......	....
HIGGINS (NY)	......	X	....	SMITH (MO)	X	......	....
BOYLE (PA)	......	X	....	FLORES (TX)	X	......	....
KHANNA (CA)	......	X	....	HOLDING (NC)	X	......	....
DELAURO (CT)	......	X	....	STEWART (UT)	X	......	....
DOGGETT (TX)	......	X	....	NORMAN (SC)	X	......	....
PRICE (NC)	......	X	....	ROY (TX)	X	......	....
SCHAKOWSKY (IL)	......	X	....	MEUSER (PA)	X	......	....
KILDEE (MI)	......	......	....	TIMMONS (SC)	X	......	....
PANETTA (CA)	......	X	....	CRENSHAW (TX)	X	......	....
MORELLE (NY)	......	X	....	HERN (OK)	X	......	....
HORSFORD (NV)	......	X	....	BURCHETT (TN)	X	......	....
SCOTT (VA)	......	X	....	....	......	......	....
JACKSON LEE (TX)	......	X	....	....	......	......	....
LEE (CA)	......	X	....	....	......	......	....
JAYAPAL (WA)	......	X	....	....	......	......	....
OMAR (MN)	......	X	....	....	......	......	....
SIRES (NJ)	......	X	....	....	......	......	....
PETERS (CA)	......	X	....	....	......	......	....
COOPER (TN)	......	X	....	....	......	......	....

The amendment was not agreed to by a rollcall vote of 14 ayes and 20 noes.

Amendment No. 4, offered by Mr. Johnson, to make increases to the statutory spending caps contingent on enacted offsets

ROLLCALL VOTE 4

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
YARMUTH (KY) (Chairman).	......	X	....	WOMACK (AR) (Ranking).	X	......	....
MOULTON (MA)	......	X	....	WOODALL (GA)	X	......	....
JEFFRIES (NY)	......	......	....	JOHNSON (OH)	X	......	....
HIGGINS (NY)	......	X	....	SMITH (MO)	X	......	....
BOYLE (PA)	......	X	....	FLORES (TX)	X	......	....
KHANNA (CA)	......	X	....	HOLDING (NC)	X	......	....
DELAURO (CT)	......	X	....	STEWART (UT)	X	......	....
DOGGETT (TX)	......	X	....	NORMAN (SC)	X	......	....
PRICE (NC)	......	X	....	ROY (TX)	X	......	....
SCHAKOWSKY (IL)	......	X	....	MEUSER (PA)	X	......	....
KILDEE (MI)	......	......	....	TIMMONS (SC)	X	......	....
PANETTA (CA)	......	X	....	CRENSHAW (TX)	X	......	....
MORELLE (NY)	......	X	....	HERN (OK)	X	......	....
HORSFORD (NV)	......	X	....	BURCHETT (TN)	X	......	....
SCOTT (VA)	......	X	....	....	......	......	....
JACKSON LEE (TX)	......	X	....	....	......	......	....
LEE (CA)	......	X	....	....	......	......	....
JAYAPAL (WA)	......	X	....	....	......	......	....
OMAR (MN)	......	X	....	....	......	......	....
SIRES (NJ)	......	X	....	....	......	......	....
PETERS (CA)	......	X	....	....	......	......	....
COOPER (TN)	......	X	....	....	......	......	....

The amendment was not agreed to by a rollcall vote of 14 ayes and 20 noes.

Amendment No. 5, offered by Mr. Timmons, to establish a plan to restore fiscal responsibility

ROLLCALL VOTE 5

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
YARMUTH (KY) (Chairman).	......	X	....	WOMACK (AR) (Ranking).	X	......	....
MOULTON (MA)	......	X	....	WOODALL (GA)	X	......	....
JEFFRIES (NY)	......	......	....	JOHNSON (OH)	X	......	....
HIGGINS (NY)	......	X	....	SMITH (MO)	X	......	....
BOYLE (PA)	......	X	....	FLORES (TX)	X	......	....
KHANNA (CA)	......	X	....	HOLDING (NC)	X	......	....
DELAURO (CT)	......	X	....	STEWART (UT)	X	......	....
DOGGETT (TX)	......	X	....	NORMAN (SC)	X	......	....
PRICE (NC)	......	X	....	ROY (TX)	X	......	....
SCHAKOWSKY (IL)	......	X	....	MEUSER (PA)	X	......	....
KILDEE (MI)	......	......	....	TIMMONS (SC)	X	......	....
PANETTA (CA)	......	X	....	CRENSHAW (TX)	X	......	....
MORELLE (NY)	......	X	....	HERN (OK)	X	......	....
HORSFORD (NV)	......	X	....	BURCHETT (TN)	X	......	....
SCOTT (VA)	......	X	....	....	......	......	....
JACKSON LEE (TX)	......	X	....	....	......	......	....
LEE (CA)	......	X	....	....	......	......	....
JAYAPAL (WA)	......	X	....	....	......	......	....
OMAR (MN)	......	X	....	....	......	......	....
SIRES (NJ)	......	X	....	....	......	......	....
PETERS (CA)	......	X	....	....	......	......	....
COOPER (TN)	......	X	....	....	......	......	....

The amendment was not agreed to by a rollcall vote of 14 ayes and 20 noes.

Amendment No. 6, offered by Mr. Khanna, to decrease defense discretionary caps

ROLLCALL VOTE 6

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
YARMUTH (KY) (Chairman).	......	X	....	WOMACK (AR) (Ranking).	......	X	....
MOULTON (MA)	......	X	....	WOODALL (GA)	X	......	....
JEFFRIES (NY)	......	......	....	JOHNSON (OH)	......	X	....
HIGGINS (NY)	......	X	....	SMITH (MO)	......	X	....
BOYLE (PA)	......	X	....	FLORES (TX)	......	X	....
KHANNA (CA)	X	......	....	HOLDING (NC)	......	X	....
DELAURO (CT)	......	X	....	STEWART (UT)	......	X	....
DOGGETT (TX)	......	......	....	NORMAN (SC)	......	X	....
PRICE (NC)	......	X	....	ROY (TX)	......	X	....
SCHAKOWSKY (IL)	X	......	....	MEUSER (PA)	......	X	....
KILDEE (MI)	......	......	....	TIMMONS (SC)	......	X	....
PANETTA (CA)	......	X	....	CRENSHAW (TX)	......	X	....
MORELLE (NY)	......	X	....	HERN (OK)	......	X	....
HORSFORD (NV)	......	X	....	BURCHETT (TN)	......	X	....
SCOTT (VA)	......	X	....	....	......	......	....
JACKSON LEE (TX)	X	......	....	....	......	......	....
LEE (CA)	X	......	....	....	......	......	....
JAYAPAL (WA)	X	......	....	....	......	......	....
OMAR (MN)	X	......	....	....	......	......	....
SIRES (NJ)	......	X	....	....	......	......	....
PETERS (CA)	......	X	....	....	......	......	....
COOPER (TN)	......	X	....	....	......	......	....

The amendment was not agreed to by a rollcall vote of 7 ayes and 26 noes.

Final Passage

ROLLCALL VOTE 8

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
YARMUTH (KY) (Chairman).	X	......	....	WOMACK (AR) (Ranking).	......	X	....
MOULTON (MA)	X	......	....	WOODALL (GA)	......	X	....
JEFFRIES (NY)	X	......	....	JOHNSON (OH)	......	X	....
HIGGINS (NY)	X	......	....	SMITH (MO)	......	X	....
BOYLE (PA)	X	......	....	FLORES (TX)	......	X	....
KHANNA (CA)	......	X	....	HOLDING (NC)	......	X	....
DELAURO (CT)	X	......	....	STEWART (UT)	......	X	....
DOGGETT (TX)	X	......	....	NORMAN (SC)	......	X	....
PRICE (NC)	X	......	....	ROY (TX)	......	X	....
SCHAKOWSKY (IL)	X	......	....	MEUSER (PA)	......	X	....
KILDEE (MI)	X	......	....	TIMMONS (SC)	......	X	....
PANETTA (CA)	X	......	....	CRENSHAW (TX)	......	X	....
MORELLE (NY)	X	......	....	HERN (OK)	......	X	....
HORSFORD (NV)	X	......	....	BURCHETT (TN)	......	X	....
SCOTT (VA)	X	......	....	....	......	......	....
JACKSON LEE (TX)	X	......	....	....	......	......	....
LEE (CA)	X	......	....	....	......	......	....
JAYAPAL (WA)	......	X	....	....	......	......	....
OMAR (MN)	......	X	....	....	......	......	....
SIRES (NJ)	X	......	....	....	......	......	....
PETERS (CA)	X	......	....	....	......	......	....
COOPER (TN)	X	......	....	....	......	......	....

The motion to report H.R. 2021, favorably, was agreed to by a rollcall vote of 19 ayes and 17 noes.

Statement of Oversight Findings and Recommendations of the Committee

In compliance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

New Budget Authority and CBO Cost Estimate

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, and pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following estimate for H.R. 2021 from the Director of the Congressional Budget Office:

CONGRESSIONAL BUDGET OFFICE
U.S. Congress
Washington, DC 20515

Keith Hall, Director

April 4, 2019

Honorable John Yarmuth
Chairman
Committee on the Budget
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2021, the Investing for the People Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Avi Lerner, who can be reached at 226-2880.

Sincerely,

Keith Hall

Enclosure

cc: Honorable Steve Womack
Ranking Member

Congressional Budget Office
Cost Estimate

April 4, 2019

H.R. 2021, Investing for the People Act of 2019

As ordered reported by the House Committee on the Budget on April 3, 2019

Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	**0**	**0**	**0**
Revenues	**0**	**0**	**0**
Deficit Effect	**0**	**0**	**0**
Spending Subject to Appropriation (Outlays)[a]	**0**	**349,146**	**355,957**

Pay-as-you-go procedures apply?	**No**	**Mandate Effects**	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	**No**	Contains intergovernmental mandate?	**No**
		Contains private-sector mandate?	**No**

a. The estimated outlays stem from changes to the caps on discretionary funding assuming appropriations consistent with those caps.

H.R. 2021 would revise the caps on appropriations for fiscal years 2020 and 2021 to allow for higher amounts of funding than is permitted under current-law caps and budget enforcement procedures. The bill also would change the amounts by which caps could be increased by limiting adjustments to the discretionary caps for overseas contingency operations (OCO—for military and diplomatic activities in Afghanistan and elsewhere) and adding new adjustments for certain appropriations for tax enforcement and to pay expenses for the 2020 census.

H.R. 2021 also would revise the Congressional budget process concerning the adoption of a fiscal year 2020 budget resolution. This change would not, by itself, have a direct budgetary effect, but it could influence Congressional decisionmaking about budget-related legislation in 2020 and future years.

Enacting the bill would not affect direct spending or revenues, and it would not change authorizations of appropriations.

See also *CBO's Cost Estimates Explained*, www.cbo.gov/publication/54437;
How CBO Prepares Cost Estimates, www.cbo.gov/publication/53519; and *Glossary*, www.cbo.gov/publication/42904.

Changes to the Caps on Spending Subject to Appropriation

Most discretionary funding is limited by caps on annual appropriations originally specified in the Budget Control Act of 2011 and modified by subsequent legislation.[1] Under current law, separate caps apply to discretionary defense and nondefense funding through 2021. The revisions proposed under H.R. 2021 would increase the limits in 2020 for each category by $87.8 billion. The next year, limits would increase by $90.0 billion for defense funding and by $91.5 billion for nondefense funding. The bill also would permit limited increases in the caps on funding for the Internal Revenue Service's tax enforcement efforts and for the cost of conducting the 2020 census.

H.R. 2021 also would limit the cap adjustment for OCO funding to $69.0 billion for defense funding and $8.0 billion for nondefense funding. Current law does not limit such adjustments.

CBO estimates that the net increase in caps on discretionary funding would amount to $360.8 billion: $181.9 billion in 2020 and $178.9 billion in 2021. Assuming appropriations at those increased amounts, outlays would increase by $349.1 billion over the 2020-2024 period (see Table 1).

How the Proposed Caps Compare With Those Under Current Law

The caps established by the Budget Control Act of 2011, including the subsequent reductions that act required, are projected to total $1,119 billion in 2020 and $1,145 billion in 2021. The caps can be adjusted upward when appropriations are provided for certain purposes, however. Specifically, unlimited adjustments can be made for budget authority for OCO and emergency requirements. Current law also allows for limited adjustments for funding for disaster relief and for certain program integrity initiatives.[2]

CBO estimates that under current law, caps on discretionary funding for defense programs—including the allowable adjustments for OCO funding—will be $646.6 billion in 2020 and $662.1 billion in 2021. Caps on nondefense funding, after accounting for allowable adjustments to the caps, will be $567.2 billion in 2020 and $579.0 billion for 2021 (see Table 2).

Although enacting the bill would have no direct budgetary effects, the revised caps would allow appropriators to provide $360.8 billion more in discretionary funding in 2020 and 2021 than they could under current law. Limits on defense funding would increase by $86.4 billion in 2020 and by $87.0 billion in 2021. Limits on nondefense funding would increase by $95.5 billion in 2020 and by $91.9 billion in 2021.

The CBO staff contact for this estimate is Avi Lerner. The estimate was reviewed by Theresa Gullo, Assistant Director for Budget Analysis.

---

1. The Budget Control Act of 2011 established an initial set of caps on annual discretionary funding through 2021 as well as a set of lower caps that were triggered by the failure of the Joint Select Committee on Deficit Reduction to achieve a deficit reduction target.

2. Certain funding provided in the 21st Century Cures Act is excluded from calculations of appropriations subject to the caps. In addition, beginning in 2020, funding for wildfire suppression will lead to an increase in the caps.

Table 1.
Changes to Caps on Spending Subject to Appropriation Under H.R. 2021

	By Fiscal Year, Millions of Dollars					
	2020	**2021**	**2022**	**2023**	**2024**	**2020-2024**
Net Change in Discretionary Limits[a]						
Increased Limit	181,894	178,856	n.a.	n.a.	n.a.	360,750
Estimated Outlays	102,315	146,212	61,620	24,373	14,625	349,146

Under current law, there are no caps on overall discretionary funding after 2021.

a. Amounts for 2020 reflect changes relative to the funding limits shown in Office of Management and Budget, "Sequestration Reports & Orders," *OMB Sequestration Preview Report to the President and Congress for Fiscal Year 2020* (March 2019), https://go.usa.gov/xUwaB.

Table 2.
Comparison of Discretionary Funding Caps Under Current Law and as Proposed Under H.R. 2021

By Fiscal Year, Millions of Dollars

Current Law	2020	2021	H.R. 2021	2020	2021	Increase or Decrease (-) in Caps	2020	2021
Defense			**Defense**			**Defense**		
Current Cap	576,175	590,160	Revised Cap	664,000	680,119	Discretionary Cap	87,825	89,959
Projected OCO adjustments[a]	70,463	71,963	Limitation on OCO adjustments	69,000	69,000	OCO Adjustments	-1,463	-2,963
Subtotal, defense	**646,638**	**662,123**	**Subtotal, defense**	**733,000**	**749,119**	**Subtotal, defense**	**86,362**	**86,996**
Nondefense			**Nondefense**			**Nondefense**		
Current Cap	543,193	554,559	Revised Cap	631,018	646,056	Discretionary Cap	87,825	91,497
Cap Adjustments:			Cap Adjustments:			Cap Adjustments:		
Projected OCO[a]	8,193	8,387	Limitation on OCO	8,000	8,000	OCO	-193	-387
Disaster relief[a]	12,246	12,502	Disaster relief[a]	12,246	12,502	Disaster relief	0	0
Program integrity[a]	1,822	1,848	Program integrity[a]	1,822	1,848	Program integrity	0	0
Emergencies[a]	1,714	1,749	Emergencies[a]	1,714	1,749	Emergencies	0	0
IRS enforcement	n.a.	n.a.	IRS enforcement	400	750	IRS enforcement	400	750
2020 census	n.a.	n.a.	2020 census	7,500	0	2020 census	7,500	0
Subtotal, nondefense	**567,168**	**579,045**	**Subtotal, nondefense**	**662,700**	**670,905**	**Subtotal, nondefense**	**95,532**	**91,860**
Total	**1,213,806**	**1,241,168**	**Total**	**1,395,700**	**1,420,024**	**Total**	**181,894**	**178,856**

Under current law, cap adjustments for OCO and emergencies are not limited. Adjustments for disaster relief and program integrity are subject to limitations. In addition, beginning in 2020, nondefense discretionary caps will be adjusted to accommodate appropriations for wildfire suppression.

Amounts in the table do not include funding under the 21st Century Cures Act, which requires the exclusion of discretionary funding for certain activities from calculations of appropriations subject to the caps.

IRS = Internal Revenue Service; OCO = overseas contingency operations.

a. Cap adjustment amounts are estimated on the basis of amounts appropriated for 2019, adjusted for inflation in accordance with Section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 2021. However, clause 3(d)(2)(B) of that rule provides that this requirement does not apply when the committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act. Such a cost estimate is included in this report.

FEDERAL MANDATES STATEMENT

The committee adopts the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act (P.L. 104–4).

ADVISORY COMMITTEE STATEMENT

No advisory committee within the meaning of section 5(b) of the Federal Advisory Committee Act was created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (P.L. 104–1).

DUPLICATION OF FEDERAL PROGRAMS

No provision of H.R. 2021, the Investing for the People Act of 2019, establishes or reauthorizes a program of the Federal government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goals and objectives of this legislation are to establish a budget for fiscal year 2020 and increase discretionary spending limits for the revised security and nonsecurity categories for fiscal year 2020 and fiscal year 2021. Congress has been unable to pass appropriations legislation in recent years without increasing the limits for those years. This legislation seeks to enable timely enactment of appropriations legislation for fiscal years 2020 and 2021.

EARMARK STATEMENT

In accordance with clause 9 of rule XXI of the Rules of the House of Representatives, H.R. 2021 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI of the Rules of the House of Representatives.

SECTION-BY-SECTION ANALYSIS

The following discussion describes the bill as reported by the Committee.

Section 1. Short Title. This section cites the short title of the legislation as the "Investing for the People Act of 2019."

Section 101. Amendments to the Balanced Budget and Emergency Deficit Control Act of 1985. This section amends the Balanced Budget and Emergency Deficit Control Act of 1985 to increase the defense and non-defense discretionary spending limits for fiscal years 2020 and 2021. It also amends the Balanced Budget and Emergency Deficit Control Act of 1985 to place a limit on the adjustment to the discretionary spending caps for funding designated for Overseas Contingency Operations/Global War on Terror. The section also adds two new adjustments to the discretionary spending caps: (1) for Internal Revenue Service enforcement activities in fiscal years 2020 and 2021, and (2) for expenses in fiscal year 2020 associated with the 2020 Census. The section also revises procedures for implementing sequestration of direct spending, which is required under current law and involves cuts that interact with discretionary spending levels. The section requires that sequestration take place in fiscal years 2020 and 2021, as if the amendments that this section makes to the discretionary spending limits have not been made.

Section 201. Fiscal Year 2020 Budget Resolution. This section provides that, as soon as practicable, the Chairman of the Committee on the Budget of the House of Representatives must submit for publication in the Congressional Record committee allocations, aggregate spending levels, and aggregate revenue levels. This section further specifies that the Chairman will set allocations of discretionary funding in accordance with the discretionary spending caps established by the bill and allocations of mandatory funding consistent with the Congressional Budget Office (CBO) baseline. It also specifies that the Chairman will set the aggregate spending levels in accordance with those allocations and the aggregate revenue levels consistent with the CBO baseline. The allocations, aggregates, and levels submitted by the Chairman are enforceable in the House of Representatives as if they were included in a fiscal year 2020 concurrent resolution on the budget. This section further provides that the Chairman may make adjustments to the allocations, aggregates, and other budgetary levels for certain purposes, including to reflect changes resulting from CBO's updates to its baseline.

Section 202. Limitation on Advance Appropriations. This section extends a general prohibition on advance appropriations. It also provides for exceptions for programs, activities, or accounts identified in lists submitted by the Chairman of the Committee on the Budget of the House of Representatives for publication in the Congressional Record.

Section 203. Exercise of Rulemaking Powers. This section specifies that sections 201 and 202 are enacted under the rulemaking powers of the House of Representatives and will be considered part of the rules of the House. It also recognizes that the House has the authority to change the rules.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

PART C—EMERGENCY POWERS TO ELIMINATE DEFICITS IN EXCESS OF MAXIMUM DEFICIT AMOUNT

* * * * * * *

SEC. 251. ENFORCING DISCRETIONARY SPENDING LIMITS.

(a) ENFORCEMENT.—

(1) SEQUESTRATION.—Within 15 calendar days after Congress adjourns to end a session there shall be a sequestration to eliminate a budget-year breach, if any, within any category.

(2) ELIMINATING A BREACH.—Each non-exempt account within a category shall be reduced by a dollar amount calculated by multiplying the enacted level of sequestrable budgetary resources in that account at that time by the uniform percentage necessary to eliminate a breach within that category.

(3) MILITARY PERSONNEL.—If the President uses the authority to exempt any personnel account from sequestration under section 255(f), each account within subfunctional category 051 (other than those military personnel accounts for which the authority provided under section 255(f) has been exercised) shall be further reduced by a dollar amount calculated by multiplying the enacted level of non-exempt budgetary resources in that account at that time by the uniform percentage necessary to offset the total dollar amount by which outlays are not reduced in military personnel accounts by reason of the use of such authority.

(4) PART-YEAR APPROPRIATIONS.—If, on the date specified in paragraph (1), there is in effect an Act making or continuing appropriations for part of a fiscal year for any budget account, then the dollar sequestration calculated for that account under paragraphs (2) and (3) shall be subtracted from—

(A) the annualized amount otherwise available by law in that account under that or a subsequent part-year appropriation; and

(B) when a full-year appropriation for that account is enacted, from the amount otherwise provided by the full-year appropriation for that account.

(5) LOOK-BACK.—If, after June 30, an appropriation for the fiscal year in progress is enacted that causes a breach within a category for that year (after taking into account any sequestration of amounts within that category), the discretionary spending limits for that category for the next fiscal year shall be reduced by the amount or amounts of that breach.

(6) WITHIN-SESSION SEQUESTRATION.—If an appropriation for a fiscal year in progress is enacted (after Congress adjourns to end the session for that budget year and before July 1 of that fiscal year) that causes a breach within a category for that year (after taking into account any prior sequestration of amounts within that category), 15 days later there shall be a sequestration to eliminate that breach within that category following the procedures set forth in paragraphs (2) through (4).

(7) ESTIMATES.—

(A) CBO ESTIMATES.—As soon as practicable after Congress completes action on any discretionary appropriation, CBO, after consultation with the Committees on the Budget of the House of Representatives and the Senate, shall provide OMB with an estimate of the amount of discretionary new budget authority and outlays for the current year, if any, and the budget year provided by that legislation.

(B) OMB ESTIMATES AND EXPLANATION OF DIFFERENCES.—Not later than 7 calendar days (excluding Saturdays, Sundays, and legal holidays) after the date of enactment of any discretionary appropriation, OMB shall transmit a report to the House of Representatives and to the Senate containing both the CBO and OMB estimates of the amount of discretionary new budget authority for the current year, if any, and the budget year provided by that legislation, and an explanation of any difference between the 2 estimates. If during the preparation of the report OMB determines that there is a significant difference between OMB and CBO, OMB shall consult with the Committees on the Budget of the House of Representatives and the Senate regarding that difference and that consultation shall include, to the extent practicable, written communication to those committees that affords such committees the opportunity to comment before the issuance of the report.

(C) ASSUMPTIONS AND GUIDELINES.—OMB estimates under this paragraph shall be made using current economic and technical assumptions. OMB shall use the OMB estimates transmitted to the Congress under this paragraph. OMB and CBO shall prepare estimates under this paragraph in conformance with scorekeeping guidelines determined after consultation among the Committees on the Budget of the House of Representatives and the Senate, CBO, and OMB.

(D) ANNUAL APPROPRIATIONS.—For purposes of this paragraph, amounts provided by annual appropriations shall include any discretionary appropriations for the current year, if any, and the budget year in accounts for which funding is provided in that legislation that result from previously enacted legislation.

(b) ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS.—

(1) CONCEPTS AND DEFINITIONS.—When the President submits the budget under section 1105 of title 31, United States Code, OMB shall calculate and the budget shall include adjustments to discretionary spending limits (and those limits as cumulatively adjusted) for the budget year and each outyear to reflect changes in concepts and definitions. Such changes shall equal the baseline levels of new budget authority and outlays using up-to-date concepts and definitions, minus those levels using the concepts and definitions in effect before such changes. Such changes may only be made after consultation with the Committees on Appropriations and the Budget of the House of Representatives and the Senate, and that consultation shall include written communication to such committees that affords such committees the opportunity to comment before official action is taken with respect to such changes.

(2) SEQUESTRATION REPORTS.—When OMB submits a sequestration report under section 254(e), (f), or (g) for a fiscal year, OMB shall calculate, and the sequestration report and subsequent budgets submitted by the President under section 1105(a) of title 31, United States Code, shall include adjustments to discretionary spending limits (and those limits as adjusted) for the fiscal year and each succeeding year, as follows:

(A) EMERGENCY APPROPRIATIONS; OVERSEAS CONTINGENCY OPERATIONS/GLOBAL WAR ON TERRORISM.—If, for any fiscal year, appropriations for discretionary accounts are enacted that—

(i) the Congress designates as emergency requirements in statute on an account by account basis and the President subsequently so designates, or

(ii) the Congress designates for Overseas Contingency Operations/Global War on Terrorism in statute on an account by account basis and the President subsequently so designates,

the adjustment shall be the total of such appropriations in discretionary accounts designated as emergency requirements or for Overseas Contingency Operations/Global War on Terrorism, as applicable, *except that the adjustment for Overseas Contingency Operations/Global War on Terrorism for fiscal year 2020 or any subsequent fiscal year shall not exceed $69,000,000,000 for the revised security category or $8,000,000,0000 for the revised nonsecurity category*.

(B) CONTINUING DISABILITY REVIEWS AND REDETERMINATIONS.—(i) If a bill or joint resolution making appropriations for a fiscal year is enacted that specifies an amount for continuing disability reviews under titles II and XVI of the Social Security Act, for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act, for the cost of co-operative disability investigation units, and for the cost associated with the prosecution of fraud in the programs and operations of the Social Security Administration by Special Assistant United States Attorneys, then the adjustments for that fiscal year shall be the additional new budget authority provided in that Act for such expenses for that fiscal year, but shall not exceed—

(I) for fiscal year 2012, $623,000,000 in additional new budget authority;

(II) for fiscal year 2013, $751,000,000 in additional new budget authority;

(III) for fiscal year 2014, $924,000,000 in additional new budget authority;

(IV) for fiscal year 2015, $1,123,000,000 in additional new budget authority;

(V) for fiscal year 2016, $1,166,000,000 in additional new budget authority;

(VI) for fiscal year 2017, $1,546,000,000 in additional new budget authority;

(VII) for fiscal year 2018, $1,462,000,000 in additional new budget authority;

(VIII) for fiscal year 2019, $1,410,000,000 in additional new budget authority;

(IX) for fiscal year 2020, $1,309,000,000 in additional new budget authority; and

(X) for fiscal year 2021, $1,302,000,000 in additional new budget authority.

(ii) As used in this subparagraph—

(I) the term "continuing disability reviews" means continuing disability reviews under sections 221(i) and 1614(a)(4) of the Social Security Act, including work-related continuing disability reviews to determine whether earnings derived from services demonstrate an individual's ability to engage in substantial gainful activity;

(II) the term "redetermination" means redetermination of eligibility under sections 1611(c)(1) and 1614(a)(3)(H) of the Social Security Act; and

(III) the term "additional new budget authority" means the amount provided for a fiscal year, in excess of $273,000,000, in an appropriation Act and specified to pay for the costs of continuing disability reviews, redeterminations, co-operative disability investigation units, and fraud prosecutions under the heading "Limitation on Administrative Expenses" for the Social Security Administration.

(C) HEALTH CARE FRAUD AND ABUSE CONTROL.—(i) If a bill or joint resolution making appropriations for a fiscal year is enacted that specifies an amount for the health care fraud abuse control program at the Department of Health and Human Services (75–8393–0–7–571), then the adjustments for that fiscal year shall be the amount of additional new budget authority provided in that Act for such program for that fiscal year, but shall not exceed—

(I) for fiscal year 2012, $270,000,000 in additional new budget authority;

(II) for fiscal year 2013, $299,000,000 in additional new budget authority;

(III) for fiscal year 2014, $329,000,000 in additional new budget authority;

(IV) for fiscal year 2015, $361,000,000 in additional new budget authority;

(V) for fiscal year 2016, $395,000,000 in additional new budget authority;

(VI) for fiscal year 2017, $414,000,000 in additional new budget authority;

(VII) for fiscal year 2018, $434,000,000 in additional new budget authority;

(VIII) for fiscal year 2019, $454,000,000 in additional new budget authority;

(IX) for fiscal year 2020, $475,000,000 in additional new budget authority; and

(X) for fiscal year 2021, $496,000,000 in additional new budget authority.

(ii) As used in this subparagraph, the term "additional new budget authority" means the amount provided for a fiscal year, in excess of $311,000,000, in an appropriation Act and specified to pay for the costs of the health care fraud and abuse control program.

(D) DISASTER FUNDING.—

(i) If, for fiscal years 2012 through 2021, appropriations for discretionary accounts are enacted that Congress designates as being for disaster relief in statute, the adjustment for a fiscal year shall be the total of such appropriations for the fiscal year in discretionary accounts designated as being for disaster relief, but not to exceed the total of—

(I) the average over the previous 10 years (excluding the highest and lowest years) of the sum of the funding provided for disaster relief (as that term is defined on the date immediately before the date of enactment of the Wildfire Suppression Funding and Forest Management Activities Act);

(II) notwithstanding clause (iv), starting in fiscal year 2018, five percent of the total appropriations provided after fiscal year 2011 or in the previous 10 years, whichever is less, net of any rescissions of budget authority enacted in the same period, with respect to amounts provided for major disasters declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) and designated by the Congress and the President as an emergency pursuant to subparagraph (A)(i) of this paragraph; and

(III) the cumulative net total of the unused carryover for fiscal year 2018 and all subsequent fiscal years, where the unused carryover for each fiscal year is calculated as the sum of the amounts in subclauses (I) and (II) less the enacted appropriations for that fiscal year that have been designated as being for disaster relief.

(ii) OMB shall report to the Committees on Appropriations and Budget in each House the average calculated pursuant to clause (i)(II), not later than 30 days after the date of enactment of the Wildfire Suppression Funding and Forest Management Activities Act.

(iii) For the purposes of this subparagraph, the term "disaster relief" means activities carried out pursuant to a determination under section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2)).

(iv) Appropriations considered disaster relief under this subparagraph in a fiscal year shall not be eligible for adjustments under subparagraph (A) for the fiscal year.

(E) REEMPLOYMENT SERVICES AND ELIGIBILITY ASSESSMENTS.—

(i) IN GENERAL.—If a bill or joint resolution making appropriations for a fiscal year is enacted that specifies an amount for grants to States under section 306 of the Social Security Act, then the adjustment for that fiscal year shall be the additional new budget authority provided in that Act for such grants for that fiscal year, but shall not exceed—

(I) for fiscal year 2018, $0;

(II) for fiscal year 2019, $33,000,000;

(III) for fiscal year 2020, $58,000,000; and

(IV) for fiscal year 2021, $83,000,000.

(ii) DEFINITION.—As used in this subparagraph, the term "additional new budget authority" means the amount provided for a fiscal year, in excess of $117,000,000, in an appropriation Act and specified to pay for grants to States under section 306 of the Social Security Act.

(F) WILDFIRE SUPPRESSION.—

(i) ADDITIONAL NEW BUDGET AUTHORITY.—If, for fiscal years 2020 through 2027, a bill or joint resolution making appropriations for a fiscal year is enacted that provides an amount for wildfire suppression operations in the Wildland Fire Management accounts at the Department of Agriculture or the Department of the Interior, then the adjustments for that fiscal year shall be the amount of additional new budget authority provided in that Act for wildfire suppression operations for that fiscal year, but shall not exceed—

(I) for fiscal year 2020, $2,250,000,000;

(II) for fiscal year 2021, $2,350,000,000;
(III) for fiscal year 2022, $2,450,000,000;
(IV) for fiscal year 2023, $2,550,000,000;
(V) for fiscal year 2024, $2,650,000,000;
(VI) for fiscal year 2025, $2,750,000,000;
(VII) for fiscal year 2026, $2,850,000,000; and
(VIII) for fiscal year 2027, $2,950,000,000.

(ii) DEFINITIONS.—In this subparagraph:

(I) ADDITIONAL NEW BUDGET AUTHORITY.—The term "additional new budget authority" means the amount provided for a fiscal year in an appropriation Act that is in excess of the average costs for wildfire suppression operations as reported in the budget of the President submitted under section 1105(a) of title 31, United States Code, for fiscal year 2015 and are specified to pay for the costs of wildfire suppression operations in an amount not to exceed the amount specified for that fiscal year in clause (i).

(II) WILDFIRE SUPPRESSION OPERATIONS.—The term "wildfire suppression operations" means the emergency and unpredictable aspects of wildland firefighting, including—

(aa) support, response, and emergency stabilization activities;

(bb) other emergency management activities; and

(cc) the funds necessary to repay any transfers needed for the costs of wildfire suppression operations.

(G) INTERNAL REVENUE SERVICE TAX ENFORCEMENT.—

(i) IN GENERAL.—If a bill or joint resolution making appropriations for a fiscal year is enacted that specifies an amount in the Enforcement account and the Operations Support account for tax enforcement activities, including tax compliance to address the Federal tax gap, of the Internal Revenue Service of the Department of the Treasury, then the adjustment for that fiscal year shall be the additional new budget authority provided in that Act for such purpose for that fiscal year, but shall not exceed—

(I) for fiscal year 2020, $400,000,000; and
(II) for fiscal year 2021, $750,000,000.

(ii) DEFINITION.—As used in this subparagraph, the term "additional new budget authority" means the amount provided for a fiscal year, in excess of $8,584,000,000, in an appropriation Act and specified for tax enforcement activities, including tax compliance to address the Federal tax gap, of the Internal Revenue Service.

(H) THE 2020 CENSUS.—

(i) IN GENERAL.—If a bill or joint resolution making appropriations for fiscal year 2020 is enacted that

specifies an amount for the 2020 Census in the Periodic Censuses and Programs account of the Bureau of the Census of the Department of Commerce, then the adjustment for that fiscal year shall be the new budget authority provided in that Act for such purpose for fiscal year 2020, but shall not exceed $7,500,000,000.

(ii) DEFINITION.—As used in this subparagraph, the term "new budget authority" means the amount provided for fiscal year 2020 in an appropriation Act and specified to pay for expenses associated with 2020 Census operations.

(c) DISCRETIONARY SPENDING LIMIT.—As used in this part, the term "discretionary spending limit" means—

(1) for fiscal year 2014—

(A) for the revised security category, $520,464,000,000 in new budget authority; and

(B) for the revised nonsecurity category, $491,773,000,000 in new budget authority;

(2) for fiscal year 2015—

(A) for the revised security category, $521,272,000,000 in new budget authority; and

(B) for the revised nonsecurity category, $492,356,000,000 in new budget authority;

(3) for fiscal year 2016—

(A) for the revised security category, $548,091,000,000 in new budget authority; and

(B) for the revised nonsecurity category $518,491,000,000 in new budget authority;

(4) for fiscal year 2017—

(A) for the revised security category, $551,068,000,000 in new budget authority; and

(B) for the revised nonsecurity category, $518,531,000,000 in new budget authority;

(5) for fiscal year 2018—

(A) for the revised security category, $629,000,000,000 in new budget authority; and

(B) for the revised nonsecurity category $579,000,000,000 in new budget authority;

(6) for fiscal year 2019—

(A) for the revised security category, $647,000,000,000 in new budget authority; and

(B) for the revised nonsecurity category, $597,000,000,000 in new budget authority;

[(7) for fiscal year 2020—

[(A) for the revised security category, $630,000,000,000 in new budget authority; and

[(B) for the revised nonsecurity category, $578,000,000,000 in new budget authority; and

[(8) for fiscal year 2021—

[(A) for the revised security category, $644,000,000,000 in new budget authority; and

[(B) for the revised nonsecurity category, $590,000,000,000 in new budget authority;]

(7) for fiscal year 2020—

(A) for the revised security category, $664,000,000,000 in new budget authority; and

(B) for the revised nonsecurity category, $631,018,000,000 in new budget authority; and

(8) for fiscal year 2021—

(A) for the revised security category, $680,119,000,000; and

(B) for the revised nonsecurity category, $646,056,000,000;

as adjusted in strict conformance with subsection (b).

SEC. 251A. ENFORCEMENT OF BUDGET GOAL.

Discretionary appropriations and direct spending accounts shall be reduced in accordance with this section as follows:

(1) CALCULATION OF TOTAL DEFICIT REDUCTION.—OMB shall calculate the amount of the deficit reduction required by this section for each of fiscal years 2013 through 2021 by—

(A) starting with $1,200,000,000,000;

(B) subtracting the amount of deficit reduction achieved by the enactment of a joint committee bill, as provided in section 401(b)(3)(B)(i)(II) of the Budget Control Act of 2011;

(C) reducing the difference by 18 percent to account for debt service;

(D) dividing the result by 9; and

(E) for fiscal year 2013, reducing the amount calculated under subparagraphs (A) through (D) by $24,000,000,000.

(2) ALLOCATION TO FUNCTIONS.—On March 1, 2013, for fiscal year 2013, and in its sequestration preview report for fiscal years 2014 through 2021 pursuant to section 254(c), OMB shall allocate half of the total reduction calculated pursuant to paragraph (1) for that year to discretionary appropriations and direct spending accounts within function 050 (defense function) and half to accounts in all other functions (nondefense functions).

(3) DEFENSE FUNCTION REDUCTION.—OMB shall calculate the reductions to discretionary appropriations and direct spending for each of fiscal years 2013 through 2021 for defense function spending as follows:

(A) DISCRETIONARY.—OMB shall calculate the reduction to discretionary appropriations by—

(i) taking the total reduction for the defense function allocated for that year under paragraph (2);

(ii) multiplying by the discretionary spending limit for the revised security category for that year; and

(iii) dividing by the sum of the discretionary spending limit for the security category and OMB's baseline estimate of nonexempt outlays for direct spending programs within the defense function for that year.

(B) DIRECT SPENDING.—OMB shall calculate the reduction to direct spending by taking the total reduction for the defense function required for that year under paragraph (2) and subtracting the discretionary reduction calculated pursuant to subparagraph (A).

(4) NONDEFENSE FUNCTION REDUCTION.—OMB shall calculate the reduction to discretionary appropriations and to direct spending for each of fiscal years 2013 through 2021 for programs in nondefense functions as follows:

(A) DISCRETIONARY.—OMB shall calculate the reduction to discretionary appropriations by—

(i) taking the total reduction for nondefense functions allocated for that year under paragraph (2);

(ii) multiplying by the discretionary spending limit for the revised nonsecurity category for that year; and

(iii) dividing by the sum of the discretionary spending limit for the revised nonsecurity category and OMB's baseline estimate of nonexempt outlays for direct spending programs in nondefense functions for that year.

(B) DIRECT SPENDING.—OMB shall calculate the reduction to direct spending programs by taking the total reduction for nondefense functions required for that year under paragraph (2) and subtracting the discretionary reduction calculated pursuant to subparagraph (A).

(5) IMPLEMENTING DISCRETIONARY REDUCTIONS.—

(A) FISCAL YEAR 2013.—On March 1, 2013, for fiscal year 2013, OMB shall calculate and the President shall order a sequestration, effective upon issuance and under the procedures set forth in section 253(f), to reduce each account within the security category or nonsecurity category by a dollar amount calculated by multiplying the baseline level of budgetary resources in that account at that time by a uniform percentage necessary to achieve—

(i) for the revised security category, an amount equal to the defense function discretionary reduction calculated pursuant to paragraph (3); and

(ii) for the revised nonsecurity category, an amount equal to the nondefense function discretionary reduction calculated pursuant to paragraph (4).

(B) FISCAL YEARS 2014–2021.—Except as provided by paragraphs (10), (11), [and (12)], *(12), and (13)*, on the date of the submission of its sequestration preview report for fiscal years 2014 through 2021 pursuant to section 254(c) for each of fiscal years 2014 through 2021, OMB shall reduce the discretionary spending limit—

(i) for the revised security category by the amount of the defense function discretionary reduction calculated pursuant to paragraph (3); and

(ii) for the revised nonsecurity category by the amount of the nondefense function discretionary reduction calculated pursuant to paragraph (4).

(6) IMPLEMENTING DIRECT SPENDING REDUCTIONS.—(A) On the date specified in paragraph (2) during each applicable year, OMB shall prepare and the President shall order a sequestration, effective upon issuance, of nonexempt direct spending to achieve the direct spending reduction calculated pursuant to paragraphs (3) and (4). When implementing the sequestration of direct spending pursuant to this paragraph, OMB shall follow the procedures specified in section 6 of the Statutory Pay-As-You-Go Act of 2010, the exemptions specified in section 255, and the special rules specified in section 256, except that the percentage reduction for the Medicare programs specified in section 256(d) shall not be more than 2 percent for a fiscal year.

(B) On the dates OMB issues its sequestration preview reports for each of fiscal years 2022 through 2027, pursuant to section 254(c), the President shall order a sequestration, effective upon issuance such that—

(i) the percentage reduction for nonexempt direct spending for the defense function is the same percent as the percentage reduction for nonexempt direct spending for the defense function for fiscal year 2021 calculated under paragraph (3)(B); and

(ii) the percentage reduction for nonexempt direct spending for nondefense functions is the same percent as the percentage reduction for nonexempt direct spending for nondefense functions for fiscal year 2021 calculated under paragraph (4)(B).

(C) Notwithstanding the 2 percent limit specified in subparagraph (A) for payments for the Medicare programs specified in section 256(d), the sequestration order of the President under such subparagraph for fiscal year 2027 shall be applied to such payments so that—

(i) with respect to the first 6 months in which such order is effective for such fiscal year, the payment reduction shall be 4.0 percent; and

(ii) with respect to the second 6 months in which such order is so effective for such fiscal year, the payment reduction shall be 0.0 percent.

(7) ADJUSTMENT FOR MEDICARE.—If the percentage reduction for the Medicare programs would exceed 2 percent for a fiscal year in the absence of paragraph (6), OMB shall increase the reduction for all other discretionary appropriations and direct spending under paragraph (4) by a uniform percentage to a level sufficient to achieve the reduction required by paragraph (4) in the non-defense function.

(8) IMPLEMENTATION OF REDUCTIONS.—Any reductions imposed under this section shall be implemented in accordance with section 256(k).

(9) REPORT.—On the dates specified in paragraph (2), OMB shall submit a report to Congress containing information about the calculations required under this section, the adjusted discretionary spending limits, a listing of the reductions required for each nonexempt direct spending account, and any

other data and explanations that enhance public understanding of this title and actions taken under it.

(10) IMPLEMENTING DIRECT SPENDING REDUCTIONS FOR FISCAL YEARS 2014 AND 2015.—(A) OMB shall make the calculations necessary to implement the direct spending reductions calculated pursuant to paragraphs (3) and (4) without regard to the amendment made to section 251(c) revising the discretionary spending limits for fiscal years 2014 and 2015 by the Bipartisan Budget Act of 2013.

(B) Paragraph (5)(B) shall not be implemented for fiscal years 2014 and 2015.

(11) IMPLEMENTING DIRECT SPENDING REDUCTIONS FOR FISCAL YEARS 2016 AND 2017.—(A) OMB shall make the calculations necessary to implement the direct spending reductions calculated pursuant to paragraphs (3) and (4) without regard to the amendment made to section 251(c) revising the discretionary spending limits for fiscal years 2016 and 2017 by the Bipartisan Budget Act of 2015.

(B) Paragraph (5)(B) shall not be implemented for fiscal years 2016 and 2017.

(12) IMPLEMENTING DIRECT SPENDING REDUCTIONS FOR FISCAL YEARS 2018 AND 2019.—(A) OMB shall make the calculations necessary to implement the direct spending reductions calculated pursuant to paragraphs (3) and (4) without regard to the amendment made to section 251(c) revising the discretionary spending limits for fiscal years 2018 and 2019 by the Bipartisan Budget Act of 2018.

(B) Paragraph (5)(B) shall not be implemented for fiscal years 2018 and 2019.

(13) IMPLEMENTING DIRECT SPENDING REDUCTIONS FOR FISCAL YEARS 2020 AND 2021.—(A) OMB shall make the calculations necessary to implement the direct spending reductions calculated pursuant to paragraphs (3) and (4) without regard to the amendment made to section 251(c) revising the discretionary spending limits for fiscal years 2020 and 2021 by the Investing for the People Act of 2019.

(B) Paragraph (5)(B) shall not be implemented for fiscal years 2020 and 2021.

*　　*　　*　　*　　*　　*　　*

STATEMENT FOR THE RECORD

SHEILA JACKSON LEE
18TH DISTRICT, TEXAS

WASHINGTON OFFICE:
2160 Rayburn House Office Building
Washington, DC 20515
(202) 225-3816

DISTRICT OFFICE:
1919 SMITH STREET, SUITE 1180
THE GEORGE "MICKEY" LELAND FEDERAL BUILDING
HOUSTON, TX 77002
(713) 655-0050

ACRES HOME OFFICE:
6719 WEST MONTGOMERY, SUITE 204
HOUSTON, TX 77019
(713) 691-4882

HEIGHTS OFFICE:
420 WEST 19TH STREET
HOUSTON, TX 77008
(713) 861-4070

FIFTH WARD OFFICE:
4300 LYONS AVENUE, SUITE 200
HOUSTON, TX 77020
(713) 227-7740

Congress of the United States
House of Representatives
Washington, DC 20515

COMMITTEES:
JUDICIARY
SUBCOMMITTEES:
COURTS, INTELLECTUAL PROPERTY AND THE INTERNET
IMMIGRATION AND BORDER SECURITY

HOMELAND SECURITY
SUBCOMMITTEES
RANKING MEMBER
BORDER AND MARITIME SECURITY
TRANSPORTATION SECURITY

SENIOR WHIP
DEMOCRATIC CAUCUS

CONGRESSWOMAN SHEILA JACKSON LEE OF TEXAS

STATEMENT
MARKUP HEARING:
H.R. 2021
"INVESTING FOR THE PEOPLE ACT"

COMMITTEE ON THE BUDGET
210 CANNON
APRIL 3, 2019
2:00 P.M.

- Thank you Chairman Yarmuth and Ranking Member Womack for convening this markup on H.R. 2021, the "Investing For The People Act," which I will vote to report favorably to the full House.

- Mr. Chairman, I strongly support lifting the caps imposed by the Budget Control Act of 2011 and ending this awful policy of sequestration.

- Republicans do not want to negotiate a fair and balanced fiscal plan that; instead they seek to slash non-defense discretionary spending and shield the Pentagon from budget cap strictures by resorting to the gimmick of allocating an additional and eye-popping $165 billion for Overseas Contingency Operations (OCO).

- Combined with the $576 billion base defense budget, and $9 billion requested in emergency funding, this brings the total amount allocated to defense spending to $750 billion!
- According to military experts, diplomacy and foreign aid are critical components of our national security.
- Both Trump's own former Secretary of Defense, James Mattis, and former Secretary of Defense Robert Gates have stressed the importance of diplomacy and foreign aid:

  "If you don't fully fund the State Department, then I need to buy more ammunition." – then Commander of U.S. Central Command, General James Mattis, 2013

  "...based on my experience serving seven presidents, as a former director of C.I.A. and now as secretary of defense, I am here to make the case for strengthening our capacity to use 'soft power' and for better integrating it with 'hard power.'" – Secretary of Defense Robert Gates, 2007

- Inadequate nondefense funding levels lead to State and Foreign Operations appropriations bills that:

  1. slash embassy security funding by more than 21 percent; and
  2. decrease assistance to multilateral organizations, including our UN contributions, signaling to the rest of the world that the U.S. no longer keeps its word.

Sequestration ignores other national security threats.

- Failure to lift the budget caps and leaves agencies that respond to public health threats and emergencies vulnerable to harmful cuts.

- The National Institutes of Health and the Centers for Disease Control, along with the State Department and U.S. Agency for International Development, play unique roles in preparing for and responding to threats domestically and abroad.

- At a time when there are numerous challenges – from outbreaks of Ebola and Zika, to the Flint water crisis, to chronic diseases like Alzheimer's and cancer, to the opioid epidemic – it is clear we cannot neglect these investments.

- Climate change threatens crop yields, infrastructure, water and energy supplies, and human health.

- Climate change poses risks to federal property and resources, increases potential outlays from flood and crop insurance, and creates looming disaster assistance needs.

- But congressional Republicans and the Trump Administration deny the problem exists, dramatically underfunding agencies dealing with this threat and removing resources for the public from government websites.

- Withdrawal of the U.S. from the Paris Climate Agreement undercuts the global commitment to reduce greenhouse gas emissions.

- For nearly 75 years, since the end of World War II, the world has been impressed by *examples of American power.*

- But what has inspired people the world over is the *power of America's example.*

- To defend America and keep her great and strong, we need to reject sequestration and lift the budget caps so we can invest in America and her people and restore their faith in their government.

- Thank you.

MINORITY VIEWS

H.R. 2021

We are disappointed with Committee Democrats' approval of H.R. 2021 and will oppose this bill moving forward. In lieu of drafting a budget resolution—the chief responsibility of the Budget Committee—House Democrats are taking a short cut, advancing legislation that fails to address—and, in fact, worsens—our nation's grave fiscal challenges, threatens our national security, and has no chance of becoming law.

As we made clear at our markup of H.R. 2021 on April 3, 2019, a comprehensive budget resolution is the only document that provides lawmakers a holistic look at our nation's financial situation. It tells us what we need to know about how much we're spending, what we're raising in revenue, and the impact of our deficits and debt on our economy and the American people. Without it, Congress is flying blind and likely to exacerbate our out-of-control debt, which recently surpassed $22 trillion.

That's why we offered a motion to postpone the markup, giving House Democrats more time to write a budget resolution that the Committee could consider. When House Democrats rejected our motion, we offered several amendments to address our concerns with their proposal, including:

- An amendment by Representative Chris Stewart (R–UT) to increase the defense discretionary cap to match the President's fiscal year 2020 request of $750 billion, the funding amount our nation's military leaders have said is necessary to execute the National Defense Strategy. We note that Democrats appearto be divided on the question of funding our military in the face of multiple growing global threats to the United States.
- An amendment by Representative Chip Roy (R–TX) to reduce the non-defense discretionary cap to $543 billion in fiscal year 2020 to match the President's request and the current statutory cap level.
- An amendment by Representative Bill Johnson (R-OH) to ensure that any increases made to the discretionary spending caps are contingent on enactment of mandatory spending offsets.
- An amendment by Representative William Timmons (R–SC) calling on Congress to extend the discretionary spending caps in a fiscally responsible way.

All of our amendments were excluded from the bill. Beyond these significant policy concerns, H.R. 2021 is missing the key ingredients that past discretionary spending cap increases have had, including bipartisan input, White House participation, and a plan to offset spending. With a Republican-led Senate and White House, this proposal has no chance of being signed into law, wasting an opportunity to responsibly fund our priorities and protect the American people.

Congress should raise the discretionary spending caps to prevent across-the-board spending cuts—which the Department of Defense has said would be "devastating" to our national security—but H.R. 2021 is not the answer. This is a bad bill for the federal budget. It is a worse bill for the American people. And we urge the House to reject it.

STEVE WOMACK
Ranking Minority Member
ROBERT WOODALL
BILL JOHNSON
JASON SMITH
BILL FLORES
GEORGE HOLDING
CHRIS STEWART
RALPH NORMAN
DANIEL MEUSER
WILLIAM TIMMONS
DAN CRENSHAW
KEVIN HERN
TIM BURCHETT