

Appropriations Agreement – Topline Points

- The President protected against \$130 billion in devastating cuts that would have hurt hardworking families, raised peoples' costs, and hindered economic growth—the Freedom Caucus tried to make deep, irresponsible budget cuts and they failed.
- The Default on America Act would have slashed funding for programs millions of working families count on by 22%, which would have:
 - Resulted in 30 million fewer veteran outpatient visits
 - Cut thousands of law enforcement positions
 - Eliminated 200,000 Head Start slots
- The President, his Administration, and House Democrats spent weeks highlighting the devastating impacts these cuts would have—taking that argument directly to the American people through a steady stream of interviews, events, state-specific releases, and Cabinet-level engagement.
- In the end, the President and his negotiating team were able to defeat virtually all of the proposed Republican cuts.
- When factoring in agreed upon adjustments, the bill secures funding levels that reflect what the Administration successfully negotiated at the end of last year for non-defense priorities and what would have been achieved for next year without a budget deal later this year.

Two-Year Appropriations Agreement: The President protected non-defense discretionary funding, averting enormous cuts to key programs and investments. The deal does not return funding to FY 2022, and instead keeps non-defense spending roughly flat with current (FY 2023) levels in 2024 when factoring in agreed-upon appropriations adjustments.

- **Structure consistent with prior bipartisan budget deals.** The structure of the two-year budget deal and separate two-year debt limit increase is consistent with the structure of 2015, 2018, and 2019 budget deals, which likewise served as vehicles to address the debt limit.
 - There are no budget caps after 2025, only non-enforceable appropriations targets.
- **Protects non-defense spending.** When factoring in agreed-upon appropriations adjustments, the deal holds non-defense spending roughly flat in 2024 and increases it by 1% in 2025.
 - That's slightly better than what would have happened to non-defense spending if Congress had failed to reach a budget agreement and enacted a full-year continuing resolution.
 - The agreed-upon levels reflect what the Administration had successfully negotiated at the end of last calendar year.
 - And, the deal follows two years of the Administration securing substantial increases in key investments such as Title I, CCDBG, cancer research and more.
 - This compares to the Limit, Save, and Grow Act proposal for a 22% cut to non-defense discretionary priorities and 10 years of caps.
 - The agreed upon adjustments for both FY 2024 and 2025 include: \$23 billion in emergency designations for non-defense resources, \$11 billion in re-appropriated funds from COVID relief legislation rescissions, \$10 billion in rescissions from mandatory IRS funding, \$25 billion in additional changes in mandatory programs (or CHIMPS), which is \$10 billion higher than in FY 2023.

- **Fully funds Veterans Medical Care.** The agreement fully funds medical care for veterans, including the funding the PACT Act's toxic exposure fund (TEF) at the levels included in President Biden's FY2024 budget.
 - The TEF funding will increase by nearly \$15 billion in FY2024 over enacted levels.
 - The agreement includes stable, and secure funding for the TEF in both 2024 and 2025.
- **Includes a backstop mechanism to protect the agreement:** If all 12 appropriations bills are not enacted into law by the end of calendar year 2023, the statutory caps will reset to 1% below FY 2023 levels for both defense and non-defense. This would result in a substantial decrease to the defense cap, and a substantial increase in the non-defense cap.

IRS: The deal protects the IRS's ability to improve customer service for taxpayers and crack down on wealthy tax cheats. The Inflation Reduction Act funded the IRS with \$80 billion over 10 years for enforcement, customer service, technology, and other priorities. Of that appropriation, the deal includes an agreement to repurpose \$10 billion in the FY24 appropriations process and \$10 billion in FY25 to be used to secure higher resources for non-defense priorities.

COVID-19: The President successfully fought to retain funding for key public health priorities to prepare for future pandemics and possible COVID-19 surges. This includes retaining Project Next Gen's \$5 billion funding to accelerate the development of COVID-19 vaccines and treatments and funding for vaccines and treatments for the uninsured. The final agreement does not include rescinding every remaining COVID-19 or American Rescue Plan dollar, as it also protects funding for housing assistance, for the Indian Health Service and the Bureau of Indian Education, and for veterans' medical care, among other key priorities.