

## **BACKGROUND: Bipartisan Budget Agreement**

**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.
- **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.

**Medicaid, SNAP, and TANF:** The President fought policies that would have taken away health care and pushed people into poverty.

- **No changes to Medicaid.** The agreement does not include changes that would have put Medicaid at risk for 21 million Americans.
- **Insisted on SNAP eligibility expansions for veterans, people who are homeless, and others, while also fighting to minimize SNAP cuts.** The bill includes major eligibility expansions that will reduce the number of vulnerable people of all ages subject to SNAP time limits, including veterans, people who are homeless, and others. The agreement phases in the harmful Republican proposal to extend SNAP time limits to people up to age 54, which the President fought hard against. The combined effect of these provisions is that the number of people subject to SNAP work requirements will likely stay roughly the same. And, at the President's insistence, the SNAP changes are temporary.
- **Prevented TANF changes that would have jeopardized the ability of states to support vulnerable children.** The Limit, Save, and Grow Act would have created strong incentives for states to divert TANF resources away from direct support to the lowest-income families with children. The agreement modified these provisions to ensure states can continue to support those families and their children.

**Energy and Environment:** The President protected the Inflation Reduction Act's historic climate provisions. The agreement keeps the country moving in the direction of a clean energy economy and maintains environmental justice investments and substantive environmental protections across clean air, water, and communities.

- **Preserves funding for low-income and fence-line communities:** The President protected tens of billions of dollars for clean energy in disadvantaged communities, rebates to retrofit homes and save money for low-income Americans, and clean-up efforts for harmful pollutants from oil and gas that disproportionately impact fence-line communities.
- **Maintains substantive environmental protections:** The agreement does not allow mining companies to store hazardous waste near communities without permits, polluting industries to skirt review under the Clean Air Act, and oil refineries to expose workers and communities to toxic chemicals. The agreement maintains substantive environmental protections under the Clean Water Act, Clean Air Act, Toxic Substances Control Act, and National Environmental Policy Act (NEPA).
- **Accelerates projects through process efficiencies:** The agreement codifies, in NEPA, reforms aimed at boosting the coordination, predictability, and certainty associated with federal agency decision-making. The agreement includes provisions to designate a single lead agency, charged with developing a single environmental review document according to a clear and public timeline. The agreement also requires agencies to complete environmental reviews in 1 year — or 2 years in the case of the most environmentally complex projects. The agreement makes these changes without curtailing the substantive scope of NEPA, cutting down the statute of limitations, imposing barriers to standing, or taking away injunctive relief or other judicial remedies.

**Student Debt Relief:** The budget agreement keeps in place the President's plan to provide student debt relief for hardworking borrowers recovering from a once in a generation pandemic. Last November, the Department of Education also took action to ensure that loan repayments would not resume while the Supreme Court was considering the Administration's request to proceed with providing debt relief. The budget agreement codifies that protection. The President also protected our ability to pause student loan payments again based on another emergency in the future and protected the Income-Driven Repayment plan, which cuts student loan payments in half for eligible borrowers.

**Administrative PAYGO:** The agreement does not restrict executive branch authorities and does not include far-reaching changes that would have severely impeded environmental, health, safety, and other regulation. The deal includes a provision requiring agencies to propose offsets for rules with significant budgetary cost, but provides broad waiver authority for the OMB Director and protections against judicial review. And, this provision expires after two years.

**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.