

New budget accord saves \$23 billion — after \$65 billion spending spree

By [Jacqueline Klimas](#)

December 10, 2013

Key lawmakers from both parties announced Tuesday a bipartisan budget proposal that would avoid another [government](#) shutdown and restore some defense spending that would have been lost to upcoming sequester cuts.

Rep. Paul Ryan, brushing aside objections from some fiscal conservatives that the proposal would undo spending caps that have helped slow the growth of the federal deficit, told reporters the compromise is a win for the GOP.

Mr. Ryan, at a joint [news](#) conference with Sen. Patty Murray, Washington Democrat, said the spending plan calls for reducing the deficit by \$23 billion over 10 years without raising taxes.

The Wisconsin Republican, the House's chief budget writer, said the deal would reverse about \$65 billion in previously agreed-upon automatic spending cuts to the [military](#) and other government programs.

"I see this agreement as a step in the right direction," he said. "In divided government, you don't always get what you want. That said, we still can make progress toward our goals. I see this agreement as that kind of progress."

President Obama and [House](#) Appropriations Committee Chairman Harold Rogers, Kentucky Republican, welcomed the proposal, which both chambers of Congress could vote on before the end of the week.

"Earlier this year, I called on Congress to [work together](#) on a balanced approach to a budget that grows our economy faster and creates more jobs — not through aimless, reckless spending cuts that harm our economy now, but by making sure we can afford to invest in the things that have always grown our economy and strengthened our middle class," Mr. Obama said. "Today's bipartisan budget agreement is a good first step."

The House-Senate deal sets the top-line spending number at \$1.012 trillion for the rest of the current fiscal year, which ends Sept. 30, and \$1.014 trillion for fiscal 2015, which begins Oct. 1.

The proposed spending is more than the levels lawmakers approved in the 2011 Budget Control Act, which would have capped non-mandatory government spending at \$967 billion in 2014, with the cuts coming from, among other places, the military, Veterans Affairs and the FBI.

The details of the deal remained sketchy as of press time, though Mr. Ryan and Mrs. Murray said they would post the proposal on their respective websites and it would require that federal employees and members of the military pay more for their retirement benefits.

"We think it's only right and fair that they pay something more toward their pensions just like the hardworking taxpayer who pays for those pensions in the first place," Mr. Ryan said.

The deal faces challenges from both the political left and the right, with conservatives warning that they could not support a deal that increased spending levels and liberals pushing back against making federal employees contribute more to their pensions.

Democrats also are frustrated with the growing prospect that Congress will not come up with the \$26 billion to extend unemployment benefits for more than 1.3 million people through the end of next year.

Mrs. Murray acknowledged that neither side got everything it wanted, but that the compromise will bring some stability to a government that has been run by fiscal crisis for years.

"We have some differences in policies, but we agree that our country needs some certainty and we need to show that we can work together," she said.

Conservative groups, meanwhile, pushed back against reports that the deal includes higher "fees" and other gimmicks that critics say are tax hikes in disguise, including fees on airline tickets.

Chris Edwards, editor of DownsizingGovernment.org at the Cato Institute, said it would be hard for Republicans to get conservatives to back a proposal that surrenders ground on the sequesters.

"Politically, I just think it's crazy for Republicans. Here is the one big thing, they can say, 'We held President Obama's feet to the fire and passed the Budget Control Act of 2011.' It's really paying dividends now, spending has been flat for the past two years," he said. "They are going to be throwing away their single biggest accomplishment on fiscal policy for the past few years. It would be like President Obama throwing away Obamacare."

By breaking the budget caps set in 2011, the deal also sets the precedent that the numbers can be changed in future years, Mr. Edwards said.

"[Appropriators] are just playing trench warfare, pushing the trench forward a year at a time. If they break the cap this year, they'll feel empowered to push hard and try to break the caps next year," he said.

Heritage Action said that it could not support a budget deal that "would increase spending in the near-term for promises of woefully inadequate long-term reductions."

"While imperfect, the sequester has proven to be an effective tool in forcing Congress to reduce discretionary spending, and a gimmicky, spend-now-cut-later deal will take our nation in the wrong direction," the conservative think tank said in a statement.

Mr. Ryan said the House would vote on the plan before the end of the week and launched a pre-emptive strike against potential critics of the plan.

"As a conservative, I deal with the situation as it exists," Mr. Ryan said. "I deal with the way things are, not necessarily the way I want them to be."