The Trump Administration has <u>proposed draconian cuts</u> to a range of environmental and science agencies, including the Environmental Protection Agency, the Department of Interior, NASA's climate science work, and NOAA's science and regulatory programs. Here we'll talk about the potential implications of dramatic budget cuts, and then the likelihood they will occur, at least for the upcoming fiscal year.

The budget cuts that are proposed are truly draconian. They would eliminate a wide swath of <u>regulatory</u>, <u>science</u>, and environmental management programs that have been operating for many years. There is a direct short-term impact from losing these programs – enforcement won't occur; new rules won't be issued, old rules updated or repealed or amended; scientific research will be terminated or not initiated; restoration programs halted, etc.

But there are much more harmful long-term impacts from these cuts. First, there would be a mass exodus of personnel from the relevant agencies – damaging institutional memory, and creating a significant loss of expertise that is essential to well-functioning agencies. Second, from a scientific and management perspective, the loss of information could have critical long-term effects. Monitoring is most effective and useful when it provides continuous information without significant interruptions. Budget cuts that create monitoring gaps can hamstring our ability to make informed choices (whether to regulate or deregulate!) in the future. Failure to invest in scientific research has long-term implications down the road, both because scientific research can take time to produce results, and because it is generally cumulative (builds on prior research).

So given that these large budget cuts could be potentially devastating, how likely are they to occur?

First, there is a political reality that even the House GOP – the most conservative part of Congress, <u>has rejected cuts</u> on the scale proposed by the White House. (The appropriations committees have passed legislation with smaller cuts – the bills haven't proceeded to the House floor yet.)

But second, and far more important, is that any significant budget changes between now and fiscal year 2021 (the end of the current presidential term) will probably have to be bipartisan. The reason why requires a fair amount of explanation of the details of congressional procedures.

In general, as noted in the last post, for legislation to proceed through the Senate requires 60 votes because of the filibuster. Given the current composition of the Senate, that means

at least 8 Democratic Senators have to agree to anything that would go through. That would normally include appropriations bills (by which spending proceeds through Congress).

There is an exception to the filibuster requirement in the Senate – the reconciliation process. This is a process by which certain legislation that increases revenue, reduces spending, changes debt limits, or otherwise reduces the deficit can be passed with 50 votes through the Senate. At first glance, this would be a way for budgets to be passed through the Senate without Democratic support, and thus party-line environmental budget cuts to be enacted. You could pass spending cuts using reconciliation.

However, there are important limitations to the use of reconciliation legislation. (For more details, if you are interested, check out <u>these CRS</u> reports in pdf format.)

First, you need both the House and the Senate to enact a budget resolution that provides the framework for reconciliation – basically instructions on how much revenue to create or spending to cut and from which congressional committees. This can be passed with 50 votes in the Senate.

Then you need the committees to implement those instructions through bills – whether spending, revenue, or a combination. Those bills then can get passed through the House and the Senate. In the Senate, the general understanding appears to be that you can only get a limited number of reconciliation bills through without a filibuster – one each for spending, revenue, and debt limit – in a <u>fiscal year</u>. That means there's one shot for using reconciliation for budget cuts in the upcoming fiscal year. Moreover, it means that one single bill has to be used for all the relevant budget cuts, which make the politics much more complicated – or require leadership to pick and choose which spending areas it wants to focus on for the reconciliation bill.

So far so good. But as an artifact of the debt limit showdown in 2011, Congress enacted the Budget Control Act that imposes strict limitations on domestic discretionary defense and non-defense spending (what is colloquially known as "sequestration"). (Discretionary spending refers to spending that is not calculated by a formula that produces automatic expenditures by the federal government, such as Social Security, Medicare and Medicaid, and some other important social welfare programs.) Changing the requirements of the Act apparently is subject to the filibuster and can't be done through reconciliation.

Here's the political reality. Conservative GOP members really want to increase defense spending above the caps in the Act. Many are talking about not supporting a budget

resolution, or any that doesn't change those caps by allowing for an increase in the defense budget under the Budget Control Act. Without a budget resolution, no reconciliation.

To get those changes, <u>Democratic votes in the Senate are required</u>. And the Democratic Senate caucus has made clear that if defense spending goes up, so should non-defense discretionary spending.

Thus Democrats have leverage to protect environmental programs from cuts, if they want to make them a priority. The question is whether they will do so. I'm cautiously optimistic that is the case, but we will see how this all plays out over the next several months.