

Bipartisan Budget Agreement

1. This bipartisan budget agreement is approved by the Congressional Leaders, who agree to cooperate in its implementation via legislation and enforcement of its terms.
2. The Congressional Leaders agree to propose legislation that:
 - a. Modifies the discretionary spending caps imposed by the Budget Control Act (BCA) for fiscal years 2018 and 2019 pursuant to the table below. The spending cap adjustments are intended to reflect the elimination of the BCA sequester for two years, plus an additional and equal amount of spending for both defense and non-defense priorities.
 - b. Includes offsets and bipartisan reforms to mitigate the deficit impact of the BCA spending cap adjustments.
 - c. Sets spending allocations for the House and Senate for fiscal years 2018 and 2019 consistent with the revised spending caps. The adoption of a new budget resolution for fiscal year 2019 is not precluded, but the Leaders intend to ensure that any such resolution be consistent with the revised spending caps.
3. The Congressional Leaders agree to work with the leaders of the appropriations committees to ensure that the following non-defense spending priorities are funded in the fiscal year 2018 omnibus and the fiscal year 2019 appropriations bills at levels exceeding those provided in fiscal year 2017. Specific spending decisions shall be left to the members of the appropriations committees, but the Leaders will work to ensure that the resulting legislation complies with the terms and spirit of this agreement. The ranking members of the House and Senate Appropriations committees shall be consulted on conference subcommittee allocations, and the Leaders agree those allocations should be consistent with this agreement. Increased Funding for Non-defense discretionary priorities includes:
 - a. National Institutes of Health - \$1 billion for FY18 and \$1 billion for FY19 - to support additional scientific research.
 - b. Opioids and Mental Health - \$3 billion for FY18 and \$3 billion for FY19 – to combat the substance abuse epidemic, including enhanced state grants (with additional assistance for those states with the highest mortality rates and tribes), public prevention programs, and law enforcement activities related to substance abuse and mental health programs.
 - c. Veterans - \$2 billion for FY18 and \$2 billion for FY19 -- to reduce the VA healthcare maintenance backlog.

- d. Infrastructure – \$10 billion for FY18 and \$10 billion for FY19 – to invest in infrastructure, including programs related to rural water and wastewater, clean and safe drinking water, rural broadband, energy, innovative capital projects, and surface transportation.
 - e. Child Care – \$2.9 billion for FY 18 and \$2.9 billion for FY 19 – for child care, including the bipartisan Child Care Development Block Grant program.
 - f. Higher Education – \$2 billion for FY18 and \$2 billion FY19 for student-centered programs that aid college completion and affordability, including those that help police officers, teachers and firefighters.
 - g. Adequate Funding for Taxpayer and Social Security Administrative Services – Congressional leaders agree to adequate funding for the Internal Revenue Service and the Social Security Administration to satisfy the demand for constituent services and tax administration.
4. The Senate Leaders agree that if a bill has been reported on a bipartisan basis from the Appropriations Committee and is consistent with the BCA spending caps, has the support of the Chairman and Ranking Member, and the sequencing has the support of both the Majority and the Minority Leaders, we will work together to minimize procedural delays.

5. The agreed-upon levels for discretionary spending are as follows:

	FY17	FY18	FY19
Current law defense cap	551	549	562
Cancel defense sequester		54	54
<u>Security priorities</u>		<u>26</u>	<u>31</u>
New defense cap	551	629	647
<i>OCO/emergency</i>	83	71	69
Defense discretionary total	634	700	716
Current law nondefense cap	519	516	529
Cancel nondefense sequester		37	37
<u>Domestic priorities</u>		<u>26</u>	<u>31</u>
New nondefense cap	519	579	597
<i>OCO</i>	21	12	8
Nondefense discretionary total	539	591	605