



# Budget & Appropriations

With Joe Biden in the White House and a likely divided Congress, both parties will need to come together to annually fund the federal government and tackle challenges facing the country. The most likely place to start will be infrastructure investment, considering the bipartisan agreement about the importance of fixing roads and bridges. Challenges will arise around Biden's interest in using infrastructure to combat climate change and Republican reticence about more federal spending.

## Leadership

- **Chairman Richard Shelby (R-AL)** will continue to lead the Senate Appropriations Committee, where he has forged a productive relationship with **Vice Chairman Patrick Leahy (D-VT)** over the past two years. The two long-time appropriators have a proven track record of striking deals, which may lead to some bipartisan action.
- On the other side of the Hill, there is a **three-way race to head the House Appropriations Committee**, with Representatives Rosa DeLauro (D-CT), Marcy Kaptur (D-OH), and Debbie Wasserman Schultz (D-FL) all competing for the gavel. The three congresswomen have been building support among their colleagues since this past summer. House Democrats will vote on committee chairs when the 117th Congress convenes in January.

## The Return of Earmarks

- Congress will seriously consider resurrecting the practice of appropriation bill earmarks in the next Congress, though buy-in from both parties will be necessary.
- Both Chairman Shelby and Senator Leahy have signaled they support reinstating earmarks to restore a sense of bipartisanship in the annual appropriations process.
- In the House, two of the three candidates running to head the Appropriations Committee have expressed support for bringing back earmarks, while a **bipartisan report issued by the Select Committee on the Modernization of Congress is recommending that earmarks be reinstated**, albeit with more transparency and restrictions.

### Issues to Keep an Eye On

- The fiscal year (FY) 2022 appropriations process will be the first since 2011 **without budget caps on defense and non-defense spending**, due to the expiration of the Budget Control Act, and appropriators will aim to take advantage of their freer hand to fund priorities important to both parties.
- President-Elect Joe Biden may be able to negotiate a scaled back version of the \$2 trillion infrastructure plan he calls “**Build Back Better**,” though it is unlikely it would include as much direct federal spending as he campaigned on.
- Appropriators may aim to find areas of agreement, including greater investments in **cyber and artificial intelligence capabilities**.