

**TIPTOEING AROUND THE DEBT:
BUDGET DEAL IS NOT PERFECT;
SAVES TOUGH DECISIONS FOR ANOTHER DAY**

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Republished from Indian Country Today, May 29, 2023, <https://ictnews.org/news/tiptoeing-around-the-debt>.

The latest budget deal will make few people happy. Republicans don't like that federal spending will continue to grow. Democrats aren't keen on a two-year cap for some domestic programs, as well as new work requirements.

But for the most part, this deal represents business as usual. The president's Inflation Reduction Act — a significant climate initiative — continues as planned, including the \$32 billion that's directed toward Indigenous communities.

What didn't happen was the severe budget cuts that the House Republican caucus demanded. Or the wholesale rewrite of the National Environmental Policy Act that West Virginia Sen. Joe Manchin favored. Instead the idea is to keep spending flat for fiscal year 2024 and increase it by a single percentage the year after, rescind unspent COVID-19 relief funds from previous years, and take dollars away from the Internal Revenue Service.

“The agreement represents a compromise, which means not everyone gets what they want,” President Joe Biden said in a statement. “That's the responsibility of governing.”

That responsibility of governing suspends the debt ceiling for two years until after the next presidential election.

But will this bill pass Congress [it has.]? And, if it does, how will it impact tribal nations and people?

The politics of this legislation are tricky. At least 218 Democrats and Republicans will have to join forces and vote for the measure in the House and 60 votes will be needed in the Senate. So each side will be carefully counting votes. (Republicans are in the majority with 223 members in the House and Democrats control the Senate with 48 Democrats, plus the votes of three Independents.)

A few House Democrats have said they do not like the legislation, but it may be the best deal possible.

Rep. Annie Kuster, D-N.H., chair of a center-left group known as the New Dems, which has roughly 100 members, told The Associated Press that the group is “confident” that White House negotiators delivered a “viable, bipartisan solution to end this crisis.”

A number of Republicans have already said they will campaign against passage, including Montana’s Rep. Matt Rosendale. “The D.C. Swamp has proposed the largest debt ceiling increase in our nation’s history, adding \$4 trillion to the existing \$31 trillion national debt,” he said. “Montanans did not send me to Washington to support business as usual, which is why I will be voting AGAINST the Fiscal Irresponsibility Act.”

And Sen. Rand Paul, R-Kentucky, tweeted: “Fake conservatives agree to fake spending cuts.”

McCarthy said he expects Congress to pass the act.

The budgets ahead

The biggest impact for the Indian Health Service, the Bureau of Indian Affairs, and other federal programs serving Native Americans will be budget caps that will limit spending for the next two years. This will result in fewer dollars for programs because of inflation. But the *Washington Post* reports this is typical for a federal spending deal during divided government “even if it’s not what Democrats would prefer.”

On the other hand, the McCarthy-Biden deal preserves the Inflation Reduction Act and the tax credits available for clean energy projects worth as much as \$32 billion for Indian Country.

And the deal increases spending for veterans programs and the military, basically agreeing to the president’s budget request.

One sticking point is work requirements for food and family welfare benefits. The agreement calls for increased work requirements for single adults.

“The agreement puts hundreds of thousands of older adults aged 50-54 at risk of losing food assistance, including a large number of women,” said Sharon Parrott, president of the Center on Budget and Policy Priorities. “This provision ignores the strong evidence that it takes food assistance away from large numbers of people without increasing employment or earnings. A large share of low-income adults in this age range are in poor health; many of them will lose basic assistance they need to buy groceries because they aren’t able to meet the work-reporting requirement; and the exemption system, notoriously laden with red tape, won’t work.”

A study by Kelsey Pukelis from the Harvard Kennedy School found that work requirements do restrain federal spending because it reduces the number of people getting food assistance. She wrote in [The Conversation](#): “But our work also indicates that in today’s context, these savings would be at the expense of already vulnerable people facing additional economic hardship at a time when a new recession could be around the corner.”

Wins and losses

The agreement also rescinds about \$30 billion in unspent coronavirus relief money that Congress approved through previous bills. In January, the Government Accountability Office issued a report that said \$90.5 billion remained available from that fund.

It’s unclear how much funds remain available for tribal governments, but the legislation protects funding for veterans’ medical care, housing assistance, the Indian Health Service, and some \$5 billion for a program focused on rapidly developing the next generation of COVID-19 vaccines and treatments.

The deal calls for “a single lead agency” to develop and schedule environmental reviews under the National Environmental Policy Act. This was a punt. Republicans wanted quicker review for oil and gas and environmentalists wanted easier access to the grid for clean energy. So instead there is a new process with no resolution.

This part of the agreement was a loss for Manchin, a Democrat and chair of the Senate Energy Committee, who had pushed hard for an immediate resolution. Instead the bill gives special treatment to the Mountain Valley Pipeline — a West Virginia natural gas pipeline — by approving all its outstanding permit requests. Just like that.

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