

FY2023 Spending Bills Face Uncertain Future as Fiscal Year Deadline Looms

Article By:

David LesStrang

Will the House complete consideration of all 12 fiscal year 2023 appropriations bills before the August recess? Will Senate appropriators keep pace with their House counterparts? What obstacles must the House and Senate overcome to complete spending bills following the mid-term elections?

With the August congressional recess only weeks away, House and Senate appropriators are making a concerted effort to position annual spending bills for future negotiation and enactment following November's mid-term elections. At stake is federal funding for a myriad of government programs and priorities, as well as policy direction to guide spending decisions, for the next fiscal year beginning on October 1.

The House Appropriations Committee is presently in the midst of a six-week sprint to approve fiscal year 2023 spending bills. During the last two weeks of June, the Committee marked up and amended each of the 12 annual spending bills, setting the stage for most but not all of these measures to be considered by the full House of Representatives before the end of July.

Under standard procedure, each of the 12 spending bills would be debated, amended, and approved by the full House as standalone measures. However, in recent years, normalcy has been replaced with a truncated process in the name of expediency. House spending bills this week will be debated and amended individually as separate "divisions," and then packaged into a six-bill appropriations "mini-bus" for final approval by the House. This approach saves valuable time on the House floor and expedites the passage of bills. The goal of House majority leadership is to have the House approve as many of the 12 spending measures as possible in order to set up negotiations with the Senate over final negotiated bills later this year.

This week, the House is scheduled to take up [H.R. 8294](#), the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2023, which will be comprised of the Transportation, Housing and Urban Development; Agriculture & Rural Development; Energy and Water Development; Financial Services and General Government; Interior and Environment; and Military Construction and Veterans Affairs Appropriations bills. This measure is expected to pass on a party-line vote.

The bipartisan, bicameral leadership of the House and Senate Appropriations Committees have attempted – but not yet succeeded – in negotiating a topline funding level for all 12 fiscal year 2023 spending bills. This overall cap on annual discretionary spending is known as the 302(a) allocation. In the absence of a bipartisan agreement on spending, House Democrats recently took the step of “deeming,” or establishing a temporary funding level so that the process of drafting and moving spending bills could get underway. The House has hewed largely to the President’s overall \$1.6 trillion discretionary budget request for fiscal year 2023 bills. This equates to an increase of \$132 billion (or nine percent) above the fiscal year 2022 enacted level.

When the Committee provided each of the 12 subcommittees with their own slice of this \$1.6 trillion pie – known as 302(b) subcommittee allocations – defense programs were provided a funding increase of four percent, while non-defense spending priorities across multiple bills received on average a 14 percent increase. As a result of this funding disparity, House Republicans have staked their opposition to each of the spending bills. Spending levels, they claim, are too high for domestic priorities and too low for defense and national security priorities. Major differences over policy – including abortion, immigration, energy, and climate issues – also divide the parties.

With Democrats maintaining a very slim majority in the House, the majority party will need to maintain extraordinary party discipline within their ranks to pass these bills. The defection of only a handful of Democrats could sink an entire bill. It’s for this reason that some measures – including the Commerce-Justice Science, Homeland Security, and Defense spending bills – may not see House floor action.

On the other side of the Capitol, differences over policy and spending present similar challenges. The Senate Appropriations Committee is now expected to forego Committee markups of its spending measures and instead draft and post online its fiscal year 2023 bills and reports. This is a direct result of the Senate’s 50-50 split, and the absence of a bipartisan agreement on topline spending. Preparing draft spending bills in Committee will position the Senate for negotiations with the House on final bills later this year once a bipartisan, bicameral spending agreement is reached.

Notably, future funding negotiations will be largely influenced by recent decisions of House and Senate defense authorizers. The House last week completed consideration of H.R. 7900, the National Defense Authorization Act (NDAA) for Fiscal Year 2023. The measure, which was overwhelmingly approved on a bipartisan 329-101 vote, authorizes a \$37 billion increase in defense spending over President Biden’s fiscal year 2023 funding request. The Senate version of the NDAA bill authorizes a \$44 billion increase in national security funding next year.

Both House and Senate NDAA measures undercut House Democratic appropriators who reported an annual defense spending bill out of full Committee at roughly the President’s request level. The NDAA bill is one of a handful of legislative measures that is routinely approved on a bipartisan basis and enacted each year, having been signed into law for 61 consecutive years. This measure will provide additional ammunition for Republicans when negotiations over top-line funding and subcommittee allocations for final bills get serious months from now. When that occurs, the overall allocation for defense spending will increase, and domestic discretionary allocations will be reduced accordingly.

With November’s mid-term elections now just a few short months away, there is a great deal of uncertainty regarding legislative outcomes during the remainder of 2022. Relatively few major legislative measures are likely to advance through Congress during the remainder of this year. In addition to annual spending and the NDAA bill, it’s likely that a Water Resources Development Act

(WRDA) bill authorizing federal water projects will be enacted before the end of 2022. Further, Congress may also approve legislation to fund US computer chip production as well as a slimmed down budget reconciliation bill.

In spite of substantive differences over funding and policy, the House and Senate will make notable progress on spending bills in the coming weeks. This effort is geared toward positioning both bodies to negotiate and approve fiscal year 2023 funding before the end of the calendar year. In the interim, Congress will need to pass a Continuing Resolution (CR) to prevent a government shutdown on September 30, the end of the current fiscal year. Congress is expected to punt funding decisions until after the November elections, setting the stage for a potential Omnibus package in December. The final outcome will depend on both parties having an appetite to negotiate and approve fiscal year 2023 spending bills following midterm elections, contests that will determine governing majorities in the House and Senate for the next Congress.

© Copyright 2025 Squire Patton Boggs (US) LLP

National Law Review, Volume XII, Number 199

Source URL: <https://natlawreview.com/article/fy2023-spending-bills-face-uncertain-future-fiscal-year-deadline-looms>