<u>Congress averted a government shutdown,</u> <u>but the real fiscal fight is ahead</u>

The expected clash early next year is complicated by intraparty House dynamics and major differences between both chambers

By Marianna Sotomayor Washington Post

During his weekly news conference with reporters, House Speaker Mike Johnson (R-La.) made clear that his decision to fund the government with a stopgap plan was not an abandonment of his far-right bona fides, but simple recognition that a partisan proposal would never become law.

"I'm one of the arch conservatives, okay? And I want to cut spending right now. ... But when we have a three-vote majority — because we do right now — we don't have the votes to be able to advance that," Johnson said in response to the House Freedom Caucus public rebukes of his proposal. "... We are not surrendering, we're fighting. But you have to be wise about choosing the fights. You've got to fight fights that you can win."

Johnson's pursuit of compromise only further inflamed the far right, who believed that House Republicans missed their chance to use Friday's funding deadline as leverage to extract concessions from the Senate. Their ultimatums have left them dug in during an era where politicians prize partisan wins over bipartisanship, especially among the fractious GOP conference who already ousted a speaker for relying on Democrats to pass legislation.

While two Republican House speakers have now successfully proposed bipartisan plans that avoided a government shutdown this year, it has come at the expense of delaying the inevitable fight to fund the government for the full 2024 fiscal year. Setting those 2024 spending levels will require consensus between the GOP-led House and Democratic Senate before the next fiscal deadlines, teeing up what many expect to be an even more contentious battle that will center on Johnson's ability to lead his deeply divided conference.

The House and Senate remain billions of dollars apart on their respective appropriation bills that would fund all government departments until Sept. 30, with both chambers failing to mark up their proposals to the \$1.59 trillion in spending enshrined into law by House Republicans and President Biden in exchange for raising the debt ceiling earlier this year. But while appropriators and governing-minded lawmakers in both parties believe they can strike compromise and avoid an automatic 1 percent cut across all federal departments early next year, far-right hard-liners

have suggested rejecting any compromise that does not fulfill their spending requests and have flirted with the idea of supporting a government shutdown if the Senate does not accept their demands.

"We're not going to shut the government down," said House Freedom Caucus Chair Scott Perry (R-Pa.). "If the Senate chooses to do that because we send something over to them that is reasonable, the American people can understand, that actually gets our funding toward a trajectory that doesn't bankrupt America, that's going to be on them, not us."

When they return from the Thanksgiving break, House Republicans hope to continue passing full-year funding bills, of which five of 12 remain. But they acknowledge that intraparty differences will make the process incredibly difficult. Republicans believe three of the five remaining bills may be able to pass once changes are made, but proposals funding the Agriculture Department — usually the least controversial bill — and Labor and Health and Human Services are riddled with provisions that vulnerable Republicans representing swing districts could never support.

Foreshadowing the expected fight ahead, 14 members of the Freedom Caucus and Rep. Matt Gaetz (R-Fla.) put Johnson on notice this week by reverting back to an old tactic that previously helped extract concessions from leadership. These Republicans sunk a procedural hurdle to consider a full-year funding bill that the group has been demanding a vote on all year — a scheme Freedom Caucus members agreed to deploy against Johnson's decisions as "a shot across the bow … in good faith," as Perry described the move.

Johnson's stopgap funding plan had married the Freedom Caucus's never-tested proposal to split up funding deadlines with centrists' demand to extend current fiscal levels until the new year without spending cuts or additional asks that would delay the funding process. The bill, which was signed into law by Biden on Friday morning, funds some departments until mid-January and the rest through early February. Though Johnson's plan avoided a government shutdown — which he stressed was the goal in various private meetings with lawmakers — it angered hard-liners, who saw it as another missed opportunity to fight for what the MAGA base wanted while amplifying their belief that Republicans' inability to keep campaign promises will compromise their ability to expand the majority in 2024.

"This is not why Republican voters send Republicans to Washington," Rep. Chip Roy (R-Tex.) said after successfully tanking consideration of a Justice Department funding bill. "The speaker now has 10 days to work it out and get Republicans to actually stand up and fight when we get back. He's promising a fight. So we're sending a message right now. We expect that fight when we get back from Thanksgiving."

Congress returns in late November with hopes of also fulfilling Biden's request for supplemental aid to foreign democracies in Israel, Ukraine and the Indo-Pacific. But with waning support among Republicans for more Ukraine aid, both chambers must also strike a deal on border security — which Biden has also asked for — to compensate.

During that time, appropriators also hope to begin negotiations on how to fund the government in 2024. House GOP appropriators told Johnson earlier this month that they need clarity on a top-line number since the Senate set its funding levels above the \$1.59 trillion enshrined in the debt ceiling deal. House Republicans were forced to make drastic cuts to meet a \$1.41 trillion funding demand by the far-right flank after they sank a procedural hurdle in retribution to then-Speaker Kevin McCarthy's (R-Calif.) debt deal and froze the House from considering legislative business for a week.

In a meeting with the four top party leaders of the House and Senate, Johnson relayed appropriators' message to his counterparts that they needed to affirm whether the \$1.59 trillion top-line is what both chambers will adhere to with the White House, according to three people familiar with the meeting, who spoke on the condition of anonymity to discuss private conversations.

This week, Senate Majority Leader Charles E. Schumer (D-N.Y.) said the four House and Senate leaders as well as appropriations committee bosses have been negotiating a top-line number as the January and February deadlines fast approach.

"It should be in conference right now, but until there's an agreement among all the leaders on a top line, it's very hard to conference any bill," said Sen. Susan Collins (R-Maine), the top Republican on the Senate Appropriations Committee.

Unlike the House, the Senate has marked up its 12 appropriations bills to be far closer to the \$1.59 trillion in total spending that McCarthy and others agreed to in the Fiscal Responsibility Act debt ceiling deal. As a rank-and-file member, Johnson voted for those caps, but Republicans have since ignored the deal and instead pushed appropriations bills with steep cuts and partisan riders targeting hot-button issues including LGBTQ+ and abortion-related policies.

"That is the path forward," House Minority Leader Hakeem Jeffries (D-N.Y.) said about the need to adhere to levels set in the debt ceiling deal. "The Senate agrees on that path. The Biden administration agrees on that path. House Democrats agree on that path. There are many House Republicans who agree on that path, and it's time for action."

Democrats believe that Republicans do not have much leverage when it comes to pushing for their version of appropriations bills, given the conference is struggling to pass them through the House with Republican votes only.

"They'll have to figure that out for sure," said Sen. John Thune (R-S.D.), No. 2 in Senate Republican leadership, of House Republicans' inability to pass many of their own appropriations bills.

Rep. Kelly Armstrong (R-N.D.) echoed the sentiment, saying: "It's pretty hard for us to say, 'We need to negotiate with the Senate,' when we can't get our own appropriation bills off the floor."

With more than 30 members in its ranks, the Freedom Caucus is large enough to determine whether bills make it onto the House floor, which is why GOP leaders have chosen to suspend the rules and approve stopgap funding bills with Democratic support. Many pragmatic Republicans privately mused that the House may have to continue operating that way since the Freedom Caucus will probably never be appeased with a compromise to spend less next year but not enough to their liking.

But an isolated far-right flank is exactly what previous Republican speakers have tried to avoid to keep the majority united, albeit unsuccessfully. The Freedom Caucus taunted Speakers John A. Boehner (R-Ohio) and Paul D. Ryan (R-Wis.) enough that they left before a motion to remove them from the post was filed. Unlike his predecessors, McCarthy embraced the far-right flank but ultimately became the first speaker removed by his own conference after working with Democrats — a similar route Johnson has since taken.]

Though irritated, many hard-liners complimented Johnson personally as a genuine and honest leader, which they say is enough to prevent him from being ousted. But they also put him on notice.

"The new speaker is respected. He's admired. He's trusted. You know, he's human. He's imperfect, like we all are," said Rep. Bob Good (R-Va.), a Freedom Caucus member who supported ousting McCarthy. "But then the conference needs to support the speaker in the negotiations with the Senate and we cannot fear a government shutdown, above all else. What we've got to fear is exacerbating our debt situation, which is the greatest fiscal crisis the country has ever faced."

Members of the Freedom Caucus have lambasted their Republican colleagues for not being as aggressive in their desire to cut spending in an effort to reduce the federal deficit. Good accused his colleagues of being "courage challenged." Perry accused appropriators of "holding the process hostage." And Rep. Ralph Norman (R-S.C.) called for a government shutdown as maximum leverage to reduce fiscal spending, "which nobody is willing to do here."

"I can honestly say that if I were in a district that hinges on reelection, I'd say that, you know, take my reelect. Do it," Norman said in rebuke of vulnerable Republicans who have voted against steep cuts because they negatively affect their district.

The openness to shutting down the government is exactly what worries pragmatic Republicans. House Republicans have largely remained united throughout the year by sending the Senate legislation that advances their agenda, at times bending to far-right demands to project unity and enter negotiations with the most conservative foot forward. But many also recognize that doing so requires hard-liners to soften their demands since the White House and Senate remain in Democratic control.

"Republicans have a choice. We can work together to get conservative victories, or we can bicker, squabble, take hostages and lose," Rep. Dusty Johnson (R-S.D.) said about the path forward. "Some of my colleagues, I don't get the sense that they've been a part of very many successful teams."

Moderate Republicans are over-projecting a sense of unity, especially ahead of a tough election year. In a meeting with centrist members of the Republican Governance Group, lawmakers began discussing voting to block consideration of bills that are too extreme for their districts in ways that the Freedom Caucus has normalized. In the group's first meeting with Johnson last week, members made clear to the speaker that the days of them being a reliable party vote for the sake of unity was over.

While Freedom Caucus members largely contributed to sinking the rule that would have allowed for debate on funding the Justice Department and other government entities and freezing some Iranian funds, four vulnerable New York Republicans also voted against it, citing significant cuts to police funding.

"I think you're going to see more of that," said Rep. David Joyce (R-Ohio), who chairs the Republican Governance Group. "There's no reason to continue down this path of, 'We're all team players,' because they're not. So we might as well fight against this."

The push for cuts and the consequences of such drastic spending is exactly why the fiscal fight has steadily defined the fractious House Republican conference. Republicans across the ideological spectrum acknowledged that the difficulty to meet their goal of passing a dozen appropriation bills has taught them two lessons ahead of next year's appropriation season that begins in earnest after Biden releases his budget early next year: set a top-line number to fund the government early and stay in session for more weeks in an effort to pass all appropriation bills on time.

Those tasked with appropriating the trillions of dollars that keep the government functioning believe top leaders in the House and Senate — known as the "Four Corners" — can fund the government for a full year. But they acknowledge that doing so will require ignoring hard-liners' demands since they have realized the people in the group, as loud as they are in forcing their demands be met, have a decade-long track record of rejecting the final product.

"It's been a good exercise," said Joyce, a moderate appropriator who has worked to incorporate the far right's spending asks. "But I think if anything in these last couple of weeks has shown us, it's that at the end of the day, what we talked about at the beginning of the year, [the far right is] not going to be there. So why spend all this time trying to prioritize things that they want? Lord knows I did."

Liz Goodwin and Paul Kane contributed to this report.