

Democrats prepare for messy budget fight that could derail Biden's infrastructure deal

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The floor vote won't be simple for Speaker Nancy Pelosi and her leadership team, who will need to win over both impatient progressives and anxious centrists without losing more than four votes. | Alex Wong/Getty Images

President Joe Biden and Senate negotiators took their first big step toward an infrastructure deal last week. Now comes the real monster: approval of the budget that makes it all happen.

To secure the votes for a bipartisan accord, Democrats must achieve total Senate unity while walking a political tightrope in the House — where internal spats are already unfolding on immigration, climate and the debt as the party shapes a second spending bill designed to pass alongside the infrastructure compromise. Failure to find party agreement on the separate, larger bill could tank both of them, leaving Biden and Democrats with an infrastructure mess.

The first test of Democratic harmony will likely arrive in July, in the form of a wonky fight over the budget blueprint that would set a price ceiling for the sweeping Democratic bill. That floor vote won't be simple for Speaker Nancy Pelosi and her leadership team, who need to win over both impatient progressives and anxious centrists without losing more than four votes.

Those House dynamics will have major consequences for Biden's agenda beyond physical infrastructure. Democrats need a budget to unlock the process known as reconciliation, which allows the president and party leaders to sidestep a Senate GOP filibuster of the larger package addressing child care, climate change and other progressive priorities that they've said must accompany any bipartisan infrastructure bill.

"Nancy always says unity is our strength," said House Budget Committee Chair John Yarmuth (D-Ky.), referring to the speaker. "In this case, unity is our only chance."

The budget blueprint won't prescribe exactly what Democrats will include in that second, sprawling spending bill later this summer. But both chambers need to be in lockstep on the overall price tag for the plan, as well as a broad outline of which committees would be empowered to spend that money.

Most Democrats believe their leadership will ultimately pull it off, but they acknowledge there is almost no margin for error. Rep. Kurt Schrader (D-Ore.), already has said he would likely oppose a budget resolution that includes trillions more in spending, a no vote that would shrink Pelosi's majority from four to three. (Her majority is also set to shrink after a special election in Texas at the end of July.)

A few other Democrats privately say they're worried that the party's budget will include too big of a wishlist — rather than what can actually be achieved by the 50-50 Senate. They also fear it could spook Republicans out of backing the bipartisan talks, which righted over the weekend after a rocky Friday.

"Some of the folks from my party are saying, 'Oh, but we got to add all those things.' I want to know what we're looking at there before I can commit," said Rep. Henry Cuellar (D-Texas.), adding that he's particularly worried about tax increases. "I mean, there's some things I support, but I just don't know exactly what that wish list might be."

Some House Democratic moderates say that even though they do support using reconciliation, they don't want to see the budget on the floor before the deal with the GOP is fully settled. A small number have begun privately talking about whether to try to block that from happening by voting against the rule for the budget, according to several people familiar with the discussions.

"That's going to be tough," said Rep. Elissa Slotkin (D-Mich.), adding that she won't decide how she'll vote on the budget resolution until she learns more from Democratic leadership about their plans for the bill. "A lot of us

want to know what we're talking about here. I'm open, but you gotta show me what this is about and why it's required."

But progressives have their own list of demands for the budget. They've threatened to oppose any resolution they don't think allows Democrats to achieve enough of their priorities: health care, housing, climate, child care and immigration.

"It's essential, what we have talked about with the Speaker and within the caucus — the budget resolution has to be crafted in a way that it takes into consideration all of our five priorities," said Rep. Pramila Jayapal (D-Wash.), who leads the nearly 100-member Congressional Progressive Caucus.

"I actually don't think there's a huge divide on the size. It's about what's in it," Jayapal added when asked about the internal disagreements. "I think we can get there."

Many of these intra-party tensions have simmered mostly under the radar in the early months of Biden's presidency. Progressives are now eager to use their leverage to force action on issues like immigration and climate that have otherwise languished thanks to the power of the filibuster in a 50-50 Senate.

But moderates — many of whom barely survived in 2020 and recognize their party's tenuous grip on the majority this cycle — are growing concerned about pumping too much money into the economy too quickly.

Some privately say any price tag over \$4 trillion is a nonstarter for the Democrats-only bill, and that they would prefer any party-lines proposal be more narrowly targeted toward augmenting popular programs like a permanent expansion of the child tax credit. New immigration policies, major tax reforms or stricter climate rules, they say, would be tougher to swallow.

Senate centrists are also openly wary. "If they think in reconciliation I'm going to throw caution to the wind and go to \$5 trillion or \$6 trillion when we can only afford \$1 trillion or \$1.5 trillion or maybe \$2 trillion and what we can pay for, then I can't be there," Sen. Joe Manchin (D-W.Va.) told ABC on Sunday.

Party leaders haven't yet determined whether the full House or Senate would vote first on a budget, but both are expected to vote on an identical blueprint as soon as there is a bicameral agreement, according to several Democratic aides.

Yarmuth has started drafting the House budget resolution, which will include closely-watched instructions for committees to begin drawing up the president's spending plans. The committee could vote on that blueprint as soon as the week of July 12, with a floor vote tentatively slated for the following week.

But the committee vote, too, could be a tough sell for some Democrats. Just two years ago, Democratic leaders were forced to yank Yarmuth's budget amid a progressive revolt over Pentagon spending. The party's majority is much smaller this time around, and the stakes are higher.

Democratic leaders say the total price tag of the second, more liberal bill will come in below \$6 trillion, the figure eyed by Senate Budget Chair Bernie Sanders (I-Vt.) that includes a large Medicare expansion. Importantly, the final decisions haven't yet been made and drastic changes are expected if the Senate's bipartisan infrastructure deal implodes.

But some House progressives see \$6 trillion as more of a starting point, given the concessions related to climate change and other issues that Democrats made in crafting their bipartisan deal with the GOP.

"I think the \$6 trillion number that Sen. Sanders spoke of is a fine one," said Rep. Alexandria Ocasio-Cortez (D-N.Y.). "I believe with this moment that we have on climate, if you ask me, I think this should be a \$10 trillion

package or at least part of a larger \$10 trillion climate strategy.”

“We have to go big,” added Rep. Jamaal Bowman (D-N.Y.), who said he too wants to see more than Biden’s initial proposed price tag of \$4 trillion. “We want to go north of that number. So that’s where the negotiations begin for us.”

Still, several Democrats said Biden’s work toward a bipartisan bill last week will help convince members across the party’s ideological spectrum to vote in favor of a budget proposal.

“It helps a lot,” said Rep. Barbara Lee (D-Calif.), a senior member of the budget panel, who said she has confidence House Democrats will be able to clear the vote next month. “It’s always tough, it really is, when you have a variety of points of view ... we’ll get there.”

If they don’t, both the cross-aisle deal and the broader Democrats-only bill would be at risk. One Democratic aide described the dynamics as “mutually assured success or destruction.”

Jennifer Scholtes and Nicholas Wu contributed to this report.

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