

PUBLICATION

White House Reaches Deal with Congressional Democrats to Keep Government Open and Suspend Debt Limit Until December

Authors: Sheila P. Burke

October 11, 2017

President Trump came to an agreement with congressional Democrats to extend FY17 federal appropriations and suspend the debt limit until December 8. The deal, which took congressional Republicans by surprise, was paired with a federal emergency appropriation for hurricane relief in the southeastern United States and passed the Senate by a vote of 80 to 17 and the House by a vote of 316 to 90, with all dissenting votes coming from Republican members. The three-month duration of the agreement, which opened a significant rift between Republican congressional leadership and the White House, gives Congress the rest of the fall to come to some sort of agreement over FY18 appropriations and the debt ceiling.

Background and Analysis: President Trump's surprise announcement that he had reached an agreement with Senate Minority Leader Chuck Schumer (D-NY) and House Minority Leader Nancy Pelosi (D-CA) caused an uproar in Washington. Congressional Republicans, who were engaged in a debate over how to approach the debt ceiling, were reportedly blindsided by the news. Observers had expected Congress to adopt some sort of a continuing resolution (CR) to avoid the government shutdown that was set to occur September 30, the end of FY17, but the inclusion of a short-term debt ceiling measure and its linkage hurricane relief funding were unexpected.

The deal presents a challenging scenario for congressional Republicans who will now be forced, once again, to vote to lift the debt ceiling (which has bedeviled them in the past) later this year. However, the three-month CR does provide additional time for House and Senate appropriators and budget writers to come to a longer-term agreement over federal spending levels. Expect this issue to remain at the forefront of the debate in Washington (particularly as it relates to the Republican tax reform proposal) for the coming weeks and months.