

Table 2. PREVIEW REPORT DISCRETIONARY SPENDING LIMITS UNDER CURRENT LAW

(Net budget authority in millions of dollars)

	2019	2020	2021
<u>DEFENSE (OR “REVISED SECURITY”) CATEGORY</u>			
2019 Final Sequestration Report Spending Limit	716,004	630,000	644,000
Joint Committee Enforcement Reductions pursuant to section 251A of BBEDCA:			
Defense Cap Reduction for 2020	-53,825
Preview Report Spending Limit	716,004	576,175	644,000
<u>NON-DEFENSE (OR “REVISED NONSECURITY”) CATEGORY</u>			
2019 Final Sequestration Report Spending Limit	620,576	578,000	590,000
Joint Committee Enforcement Reductions pursuant to section 251A of BBEDCA:			
Non-Defense Cap Reduction for 2020	-34,807
Preview Report Spending Limit	620,576	543,193	590,000
<u>TOTAL DISCRETIONARY FUNDING</u>			
2019 Final Sequestration Update Report,			
Total Discretionary Spending	1,336,580	1,208,000	1,234,000
2020 Budget Preview Report,			
Total Discretionary Spending	1,336,580	1,119,368	1,234,000

fense from \$578.0 billion to \$543.2 billion. OMB will be required to implement reductions to the 2021 discretionary caps when it issues its preview report for the 2021 Budget unless legislation is enacted to cancel the Joint Committee reductions. However, as discussed above, since those reductions are not required at this time and will need to be recalculated based on the estimates of direct spending programs in the 2021 President’s Budget, the defense and non-defense limits for 2021 officially remain unadjusted at this point.

Proposed Changes to the Discretionary Limits

The President’s 2018 and 2019 Budgets sought to rightsize Federal spending priorities by removing the Joint Committee reductions for the defense category and paying for the increase by reducing the category for non-defense programs by about the same amount. The BBA of 2018, which was enacted shortly before release of the 2019 Budget, provided substantial increases for both defense and non-defense. As a result, the Administration transmitted the *Addendum to the President’s FY19 Budget to Account for the Bipartisan*

*Budget Act of 2018*² (the “Addendum”). The Addendum fully funded vital national security needs by budgeting up to the \$647.0 billion defense cap but it also demonstrated fiscal restraint by budgeting for only \$540.0 billion of the \$597.0 billion non-defense cap level in the agreement. The proposals in the Addendum responsibly utilized the extra room for non-defense by eliminating long-used gimmicks to circumvent the caps.

The 2020 Budget follows a similar roadmap to the Administration’s previous budget proposals by ensuring national security needs are fully funded while restraining lower-priority spending. The Budget adheres to the current law discretionary caps of \$576.2 billion for defense and \$543.2 billion for non-defense in 2020. In 2021, the Administration proposes no change to the existing defense and non-defense caps but would fund defense programs at the estimated BBEDCA cap while beginning an annual two percent (or “2-penny”) decrease to non-defense programs,

² The Addendum was released with the 2019 Budget on February 12, 2018 and is available on the OMB website: <https://www.whitehouse.gov/omb/budget/>. The detailed amendments to the 2019 Budget to reflect the Addendum and other changes or corrections were transmitted to the Congress on April 13, 2018. The amendments are also available on the OMB website: <https://www.whitehouse.gov/omb/supplementals-amendments-and-releases/>.