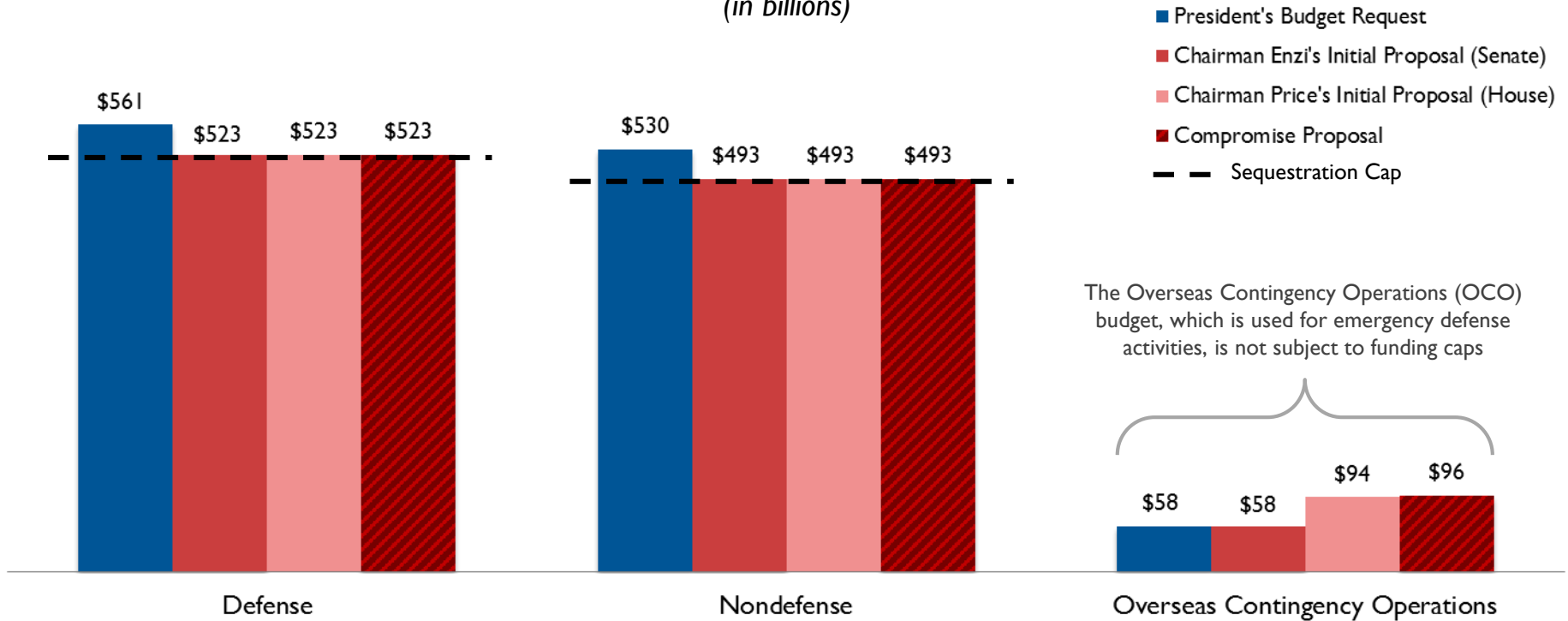


GOP Budget Compromise Uses Emergency Defense Funding to Avoid Caps

Comparison of Spending Levels in White House, House, and Senate Budget Proposals

(in billions)



Analysis

- The House and Senate Budget Committees passed budget resolutions after compromising on defense spending levels
- Although both proposals kept defense and nondefense funding below sequestration caps, Chairman Price's proposal in the House increased funding for Overseas Contingency Operations (OCO), a special budget category not subject to sequestration caps that was originally created to fund the Global War on Terror
- Initially, fiscal conservatives criticized the use of the OCO budget as a budgeting gimmick, and defense-oriented Republicans argued that the base defense budget should be allowed to surpass the sequestration caps
- A compromise was reached that increased the OCO budget to a total of \$96 billion and amended Chairman Enzi's plan to include the additional OCO funding