



BUDGET BULLETIN

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2016 Continuing Resolution – Government Funding Deadline

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EDITOR'S NOTE: All years are fiscal years unless otherwise stated.

Why Are Continuing Resolutions Needed?

The budget and appropriations process under regular order culminates with the enactment of spending bills by the September 30 end of the federal fiscal year. Failure to complete the appropriations process prior to the new fiscal year, which begins on October 1, risks a shutdown of federal government agencies whose appropriations have not been provided.

Continuing resolutions (CRs) are stopgap measures that fund the government when appropriations bills have not been adopted under regular order. In general, a CR maintains the previous year's fiscal status quo. It provides agencies the ability to continue operations at their current rate under the terms and conditions set out in the most recent, full-year appropriations bills. With few exceptions, CRs do not allow for new agency initiatives to begin or new military procurement contracts to be let. For the most part, they simply require agencies to implement their authority to continue spending in a way that avoids federal employee furloughs and does not impinge on the authority of Congress to make final spending decisions.

Exceptions to the previous year's terms and conditions are called "anomalies" and can include both monetary and non-monetary items. Anomalies provide a way for Congress to address changed circumstances while a longer-term solution on government funding is completed. A "clean" CR reflects the minimum number of anomalies needed to keep the government open, leaving other decisions until completion of the regular appropriations bills. Although "anomaly" implies something out of the ordinary, a significant number occur year after year. These include increasing

appropriations for appropriated entitlements (principally the Supplemental Nutrition Assistance Program) and the Commodity Supplemental Food Program, as well as language extending the authority of the Department of Homeland Security to engage in research and development projects.

CRs may cover spending for one, several, or even all 12 appropriations bills over a specified period of time. In the extreme, a CR can cover all appropriations bills for the entire fiscal year, as it did in 1987 and 1988. Since enactment of the [Budget Control Act of 2011](#) (BCA; P.L. 112-25), Congress has used longer-term CRs to complete appropriations processes that were just beginning. The vast majority of CRs over the last 25 years, however, have been short-term patches to allow for additional negotiating time to complete an appropriations process that was well under way.

Recent Continuing Resolutions

Two years ago, when the BCA required a reduction in enacted discretionary spending of \$76 billion between 2013 and 2014, no appropriations bills were enacted under regular order (see table below). The Senate Appropriations Committee reported 10 of 12 appropriations bills, but none reached the Senate floor. The House Appropriations Committee reported 11 of 12 bills, with 6

2014 Appropriations Activity

<u>Subcommittee</u>	<u>Senate</u>		<u>House</u>	
	<u>Reported</u>	<u>Passed</u>	<u>Reported</u>	<u>Passed</u>
Agriculture	✓		✓	✓
Commerce/Justice/Science	✓		✓	
Defense	✓		✓	✓
Energy/Water	✓		✓	✓
Financial Services	✓		✓	
Homeland	✓		✓	✓
Interior				
Labor/HHS/Edu			✓	
Legislative	✓		✓	
MilCon/VA	✓		✓	✓
State/Foreign	✓		✓	
Transportation/HUD	✓		✓	✓

passing the full House. After a lapse of funding for 16 days, the [Continuing Appropriations Act of 2014](#) (P.L. 113-46) was enacted on October 17, 2013. That CR provided funding through January 15, 2014, and allowed time for negotiations on a two-year increase in the discretionary limits. The resulting legislation, the [Bipartisan Budget Act of 2013](#) (BBA; P.L. 113-67), increased the 2014 caps by \$45 billion, and the 2015 caps by \$18 billion. The BBA paved the way for enactment of

the [2014 Omnibus](#) (P.L. 113-76) after another three-day CR was adopted to provide time for the president to review and sign the omnibus, which contained all 12 annual appropriations bills.

Last year, the second year of the two-year deal in place to boost the BCA caps, Congress still needed a CR to complete the appropriations process. As shown in the table below, the Senate was unable to complete all the appropriations bills in committee and did not consider any bills on the floor before the start of the fiscal year. The House Appropriations Committee reported 11 of 12 bills under regular order, and the full House passed 9 of those bills.

2015 Appropriations Activity

<u>Subcommittee</u>	Senate		House	
	<u>Reported</u>	<u>Passed</u>	<u>Reported</u>	<u>Passed</u>
Agriculture	✓		✓	✓
Commerce/Justice/Science	✓		✓	✓
Defense	✓		✓	✓
Energy/Water			✓	✓
Financial Services			✓	✓
Homeland	✓	*	✓	✓
Interior			✓	
Labor/HHS/Edu				
Legislative	✓		✓	✓
MilCon/VA	✓		✓	✓
State/Foreign	✓		✓	
Transportation/HUD	✓		✓	✓
*-Enacted on March 4, 2015, after the 11-bill omnibus was enacted on December 16, 2014.				

The first CR for 2015 (P.L. 113-164) was enacted on September 18, 2014 (well before the end of the fiscal year), funding the government through December 11, 2014. Two more short-term CRs followed before enactment on December 16 of a combination omnibus and CR, the [Consolidated and Further Continuing Appropriations Act](#) (P.L. 113-235), dubbed the CROmnibus. This bill contained full-year appropriations for 11 of 12 regular appropriations measures and a CR for the Homeland Security appropriations bill through February 27, 2015, allowing Congress to resolve differences related to immigration policy. After enactment on February 27 of another short-term CR for homeland (through March 6), the full-year homeland security measure was enacted on March 4, 2015. All 2015 appropriations are set to expire on September 30.

2016 Continuing Resolution

With [appropriations bills unable to achieve cloture in the Senate](#), a CR once again is needed for 2016. The difference this year is that both the Senate and House Appropriations Committees have reported all 12 appropriations measures to their respective chambers (see table below). The House passed six of those bills, and progress on the others failed because of amendments unrelated to funding levels.

2016 Appropriations Activity

<u>Subcommittee</u>	<u>Senate</u>		<u>House</u>	
	<u>Reported</u>	<u>Passed</u>	<u>Reported</u>	<u>Passed</u>
Agriculture	✓		✓	
Commerce/Justice/Science	✓		✓	✓
Defense	✓		✓	✓
Energy/Water	✓		✓	✓
Financial Services	✓		✓	
Homeland	✓		✓	
Interior	✓		✓	
Labor/HHS/Edu	✓		✓	
Legislative	✓		✓	✓
MilCon/VA	✓		✓	✓
State/Foreign	✓		✓	
Transportation/HUD	✓		✓	✓

The Senate introduced a clean CR on September 24 as [an amendment to H.R. 719](#), funding government agencies through December 11. This short-term funding measure is in line with the standard structure and organization of previous CRs. In order to stay within the total spending limits set by the BCA, the 2016 CR contains an across-the-board reduction of 0.2108 percent. As shown in the table below, while the CR overall stays under the total BCA spending cap, nondefense spending exceeds its cap and defense spending falls below its cap.

2016 CR Compared with BCA Caps

(Budget Authority, \$ Millions)			
	Senate CR	BCA Cap	Difference
Defense	520,385	523,091	-2,706
Non-Defense	496,197	493,491	2,706
Total	1,016,582	1,016,582	0

Importantly, for the duration of this CR, the nondefense overage will not result in an across-the-board reduction to bring appropriations to the cap level. An across-the-board reduction would occur, however, if the CR were extended past the end of this session of Congress.

While the majority of sections in the 2016 CR are either standard CR language or minor changes, the following modifications to the current rate of funding are significant:

- Section 118 provides for faster use of the appropriation for the National Oceanic and Atmospheric Administration to maintain the planned launch schedules for the Joint Polar Satellite System.
- Section 123 provides a similar authority for quicker use of appropriated funds for Uranium Enrichment Decontamination and Decommissioning projects.
- Section 126 provides for faster apportionment so that the Small Business Administration may meet demand for 7(a) small business loans.
- Section 143 provides \$174,000 for the customary death gratuity to the family of Alan Nunnelee, a representative from Mississippi, who recently died while holding office.
- Section 148 provides for faster use of several foreign assistance appropriations if necessary to sustain assistance for Ukraine.
- Section 135 provides \$700 million in emergency funding for urgent wildfire suppression, which also can be used to repay amounts borrowed from non-wildfire accounts for use in fighting wildfires.
- Section 144 would allow \$625 million in transfers from previous Veterans Administration (VA) balances to be used for the VA medical center in Denver.
- Section 145 provides an increase in appropriations to the Veterans Benefits Administration to process VA disability claims.

In addition, the CR provides the following noteworthy authorization modifications:

- Section 121 provides for the availability of previously-appropriated amounts for telecommunications infrastructure grants through 2020 to allow projects to be completed.
- Section 127 extends the Internet Tax Freedom Act through December 11.
- Section 130 extends the E-Verify program through December 11.
- Section 131 extends the EB-5 Immigrant Investor program through December 11.
- Section 140 provides for the extension, through the 2016-2017 school year, of a more-expansive definition of highly qualified teacher for purposes of the No Child Left Behind Act.