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September 23, 2016

GENERAL MEMORANDUM 16-058

Fiscal Year 2017 Continuing Resolution Still Unresolved

With one week to go before the beginning of fiscal year 2017, Congress has yet to enact any FY 2017 Appropriations bills or to reach agreement on a stopgap measure – a Continuing Resolution (CR) – that would provide short-term funding to federal agencies while work continues on enactment of appropriations bills.

On September 22, Senate Majority Leader McConnell (R-KY) proposed a CR that would run through December 9, 2016. The proposed CR is contained within HR 5325, the House's FY 2017 Military Construction-Veterans Affairs appropriations bill. While both parties generally agree that a CR through December 9 is needed while work continues to finalize appropriations bills that will extend through the entire fiscal year (September 30, 2017), Senate Democrats have made it clear that the McConnell proposal is not acceptable. A procedural vote on the McConnell proposal, which requires sixty votes for passage, is scheduled for Tuesday afternoon September 27. Given that the vote is four days away, negotiations will continue and the proposal may undergo changes by then.

Continuing Resolutions, by and large, provide funding on a pro rata basis at the prior year's levels and also under the same authority and conditions. The McConnell proposal would do that except that there would be a slight 0.5 percent across-the-board reduction from the FY 2016 funding levels. (This reduction is a maneuver to account for some expiring spending recissions and changes in mandatory programs. Without this 0.5 percent reduction, the spending cap would be exceeded.)

The McConnell proposal does offer some compromises with Democrats:

- \$1.1 billion would be available for Zika funding, with only part of that amount being offset with other reductions. Democrats wanted all of the money to be deemed "emergency" and thus not offset. Of this \$1.1 billion, \$75 million would be available on a reimbursement basis for "health care conditions related to the Zika virus" to tribes, tribal organizations, states, and territories where the Centers for Disease Control and Prevention (CDC) have confirmed active cases of the Zika virus, with the majority of this funding going to Puerto Rico. Other funding would go to the CDC, the National Institutes of Health, and for international activities.
- Profamilias, a Planned Parenthood affiliate in Puerto Rico, would not be barred from applying for reimbursement for Zika-related spending.
- The proposal does not include a waiver of Clean Water Act permits for pesticide spraying as was promoted by Republicans.

A major outstanding issue is that the McConnell proposal contains no funding to address the Flint, Michigan crisis caused by lead in the water pipes. Some Members feel that funding for Flint can be added to the Water Resources Development Act but that bill is also encountering some resistance.

Other issues still under dispute include provisions related to the power of the Export-Impact Bank, the scheduled transfer of control of the internet domain name system from the U.S to an international organization, and disclosure of corporate political spending.

As it stands now, no amendments can be offered to the proposal on the Senate floor as the Majority Leader has "filled the tree" with his own technical amendments, a procedural move to block other amendments. Again, this proposal may undergo changes by the date of the vote. The House, meanwhile, has invoked a rule termed "martial law" which will allow them to immediately take up any Senate-passed FY 2017 Continuing Resolution.

We will continue to monitor developments on the CR and other FY 2017 appropriations matters. Please let us know if we may provide additional information on this matter.

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