Monthly Legislative Update

October 31, 2017
Presentation Overview

• FY2018 Appropriations Update
• Disaster Relief Package
• FY2018 Budget Resolution and Tax Reform
• Looking Ahead
FY2018 Appropriations Update

• House and Senate passed Continuing Resolution for FY2018 in early September
  – Deal brokered between President Trump and congressional Democrats
  – Funds programs at current levels through December 8
  – Temporarily lifts the debt ceiling through December 8
  – Provided initial emergency assistance for victims of Hurricane Harvey totaling $7.85 billion; extends National Flood Insurance Program (NFIP) through December 8
  – Senate approved 80 to 17; House approved 316 to 90
FY2018 Appropriations Update

- CR bought time for House to pass a FY2018 budget resolution, setting stage for reconciliation as a tool to move tax reform
- CR also necessary to allow for negotiation of final discretionary spending caps
FY2018 Appropriations Update

- FY2018 omnibus spending package passed House by vote of 211 to 198 on September 14
- Omnibus package totals $1.13 trillion in discretionary spending, violating the levels set by the Budget Control Act of 2011
- Senate Appropriations Committee has approved 8 of 12 bills (Labor-HHS-Ed, State-Foreign Operations, Legislative, THUD, Commerce-Science-Justice, Energy-Water Development, Military Construction-VA, and Agriculture)
- Delays upending timeline: disaster recovery, Senate Appropriations Committee Chairman Cochran’s illness
Disaster Relief

• Latest disaster relief bill approved by House and Senate; President signed on October 26
• $36.5 billion funds recovery efforts in Puerto Rico/flood insurance/wildfire control
  – $18.67 billion for FEMA's disaster relief fund
  – $16 billion in debt forgiveness for the National Flood Insurance Program
  – $1.27 billion in supplemental nutrition assistance funds for low-income Puerto Rico residents
  – $576.5 million for wildfire suppression
• Third aid package expected from White House next month
FY2018 Budget Resolution

- Budget resolutions are blueprints
- Senate passed its FY2018 Budget Resolution on October 19
- Senate-passed budget resolution adheres to FY2018 budget caps established by Budget Control Act ($541.1 billion for defense and $515.7 for non-defense)
- Includes $1.5 trillion in annual deficit spending over 10 years to pay for proposed tax cuts
- Original House budget resolution called for a deficit-neutral tax plan and at least $203b in cuts to entitlement programs over 10 years
- House adopted Senate version on October 26 by a vote of 216 to 212
FY2018 Budget Resolution and Tax Reform

• FY2018 Budget Resolution sets framework for consideration of tax reform under the budget reconciliation process

• Budget reconciliation allows for simple majority approval in Senate (lower threshold than usual 60 votes required)

• Attempts were made to use FY2017 budget reconciliation process to address health care
Looking Ahead: Tax Reform

• House Ways and Means Committee to release details on November 1
• Senate Finance Committee working parallel
• House leadership would like a bill passed by Thanksgiving
• On the table: cuts to corporate tax rates, cuts to taxes on unincorporated businesses, cut to taxes for individuals
Looking Ahead: Tax Reform

- Concerns over local and state tax deductions known as SALT
- Questions over raising deficit to cover tax cuts without reducing spending
Looking Ahead: Infrastructure

- On hold until after tax reform is passed
- President stated public-private partnerships do not work
  - DOT Secretary has since mentioned private participation involvement
- Gasoline tax increase as part of tax reform proposal?
- $1 trillion price tag with $200 billion in direct spending
Looking Ahead: NFIP Reauthorization

- Extension through December 8, included in CR passed last month
- House passed series of measures addressing reform and reauthorization, Senate has yet to take up any measures
- Ongoing program debt – currently at $30 billion
- Introducing more private participation to reduce government risk, cost
- $16 billion in debt forgiven in recent disaster package
- Trump Administration requests insurance subsidy for low-income homeowners paid for through premiums of other policyholders
Looking Ahead: Farm Bill

• Farm Bill expires September 30, 2018
• Bill to fund agriculture, conservation, nutrition, and forestry policy
• In 2014, controversy around SNAP
• NADO has met with House and Senate Agriculture Committee staff to share priorities
• Coalitions involved (Campaign for Renewed Rural Development, REBUILD Rural Coalition)
Save the Date

• Next Monthly Legislative Calls
  – Tuesday, November 28th at 2:00 p.m. ET

• 2018 Washington Policy Conference:
  March 19-21
Questions?