

# *David Jurch and Associates*

## WASHINGTON UPDATE

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### **EXPECTED TURBULENCE FOR THE FY 2017 APPROPRIATIONS PROCESS**

House Speaker Paul Ryan (R-WI) has made it one of his top objectives this year to restore “regular order” to the annual appropriations process. In an effort to show that the GOP Congress can govern effectively, Speaker Ryan and Senator Majority Leader Mitch McConnell (R-KY) want to pass all twelve spending bills that fund the federal government. That is a tall order under the best of circumstances and even more problematic under the current political environment on Capitol Hill. While major policy riders are usually the grist that gum up the appropriations process, Congress has more recently been caught up in the Confederate flag debate, which helped derail appropriations bills last year and may do so again this year.

When the FY 2016 Interior-Environment appropriations bill comes up for consideration, Congressional Democrats may renew their efforts to restrict the display of the Confederate battle flag imagery at national parks. One of the sponsors of this initiative, Representative Hakeem Jeffries (D-NY), said, “Hopefully, under new [House] leadership, we will see an effort to unify the Congress around the issue of banishing the Confederate battle flag to the dustbin of history, where it belongs.” The flag flap is just one of dozens of hot button issues the Republican leadership will have to address if Congress is to do something it has failed to do in over 20 years, pass the twelve appropriations bills that fund the federal government.

### **WAR FUNDING**

The Obama Administration is voicing strong opposition to a proposal by the House Armed Services Committee to shift \$18 billion from a war funding account to help pad the military’s regular budget. According to the Administration, “raiding” the war account would leave the Defense Department having to scramble on a month-to-month basis to pay for our military operations abroad. Defense Secretary Ashton Carter criticized the move by declaring that funding the fight against the Islamic State terrorists in Syria and Iraq, for instance, should not be done piecemeal.

House Armed Services Committee Chairman Mac Thornberry (R-TX) defended the Committee’s action claiming that the transfer of war funds is needed now to pay for ships, aircraft, troops and military readiness at home. The Armed Services Committee’s decision is really more about the efforts of defense hawks to skirt budget limits set in last year’s bipartisan budget deal which called for equal division between defense and domestic discretionary spending. The war funding

account is exempt from spending limits, making it an inviting target for congressional plus-ups for other military priorities. The GOP funding proposal is part of the National Defense Authorization Act for FY 2017, which provides congressional authority for the expenditure of nearly \$600 billion in defense spending.

### **SOCIAL SECURITY DISABILITY INSURANCE PROGRAM ON VERGE OF DEFAULT**

The Committee for a Responsible Federal Budget, a bipartisan deficit watchdog group, forecasts that the Social Security Disability Insurance (SSDI) Program will go broke by 2022, if Congress takes no action to fix the problem. In its recommendation to stabilize the disability insurance program, the Committee recommends structural and administrative changes that are geared to helping disabled people remain employed and avoid the need for benefits. In 2014, SSDI spent \$30 billion more than it took in through payroll tax receipts. By 2024, the SSDI is projected to cost about \$215.5 billion. Last year, Congress had to bail out the insurance fund to keep the program afloat.

### **CONGRESSIONAL CALENDAR**

The House and Senate are due back in session, after a week-long district work period, on May 9 and 10, respectively.