

David Jurch and Associates

The House is back in session on September 6. They have scheduled 17 legislative days before the new fiscal year. Fiscal Year (FY) 2017 begins on October 1, 2016. The Presidential elections are on November 8.

None of the 12 (twelve) appropriations bills have been signed into law at this time. The Military Construction-VA (MILCON) conference report has been adopted by the House but the Senate has not been able to invoke cloture on the report. The conference report has been tied up in the Senate over the issue of Zika funding which is contained in the MILCON conference report.

OUTLOOK:

At this time it is still uncertain what path the House and Senate will proceed on to fund the government for FY17. It now appears certain that a continuing resolution (CR) will be needed to fund most if not all of the day to day government operations. The length of the CR is contentious.

Senate Democrats, led by Senator Harry Reid (D-NV), have ruled out a long-term CR of six months which would stretch into next year. Reid does not want to saddle the new President (presumably Hillary Clinton) with a budget battle. Senator Reid wants a lame-duck session if necessary to hammer out an omnibus deal.

House conservatives, led by the Freedom Caucus, want a six month or similar long term CR. They are hopeful Trump will win and negotiate lower spending totals.

The conservatives fear any omnibus package negotiated in December with President Obama will contain riders they dislike and higher spending levels. However, some Republican appropriators and defense hawks want to see FY2017 spending issues resolved by the beginning of calendar 2017.

Should any spending package need to be negotiated in the spring it will be done so in the context of the FY18 appropriations process and the looming debt limit ceiling. The debt limit has been suspended until March 15, 2017 (the debt limit will reset to the level of accumulated debt at that time).

The Senate Republicans are expected to meet the first week of September when they return to DC to map out a strategy for funding the government and moving any other legislation.