Washington Update

COUNTY OF SANTA BARBARA **October 27, 2015**

FY 2016 APPROPRIATIONS PROCESS

The Federal government is currently operating at FY 2015 funding levels under a short-term Continuing Resolution that expires December 11. President Obama has consistently indicated he would not sign into law any appropriations bills that adhere to the sequester-level budget caps put in place by the Budget Control Act of 2011, and none of the bills drafted by the House and Senate Appropriations Committees would be acceptable under those parameters. On the flip side, Congressional Defense hawks have also strongly indicated that the sequestration caps needed to be lifted to assure adequate Defense spending for FY 2016. Late Monday night (October 26), House and Senate Leadership and the White House announced that a two-year, bipartisan budget agreement had been reached. The deal would provide $80 billion in increased discretionary appropriations, with a $50 billion increase over the spending caps for FY 2016, and a $30 billion increase over the spending caps for FY 2017. The increases are split evenly between Defense and non-Defense spending. In addition, the agreement also suspends the debt limit until March 15, 2017. The existing debt limit ceiling is projected to be reached on November 3, and the proposed increase would remove another potential obstacle to completion of the FY 2016 spending process and ensure against a possible shutdown.

The House is scheduled to vote on the agreement as early as October 28. If it passes both the House and Senate and is signed into law by President Obama, the way will be cleared for negotiation of the final FY 2016 appropriations bills before the December 11 deadline.

MAP 21 REAUTHORIZATION

On October 22, the House Transportation and Infrastructure Committee marked up and approved Chairman Shuster's (R-PA) H.R. 3767, the *Surface Transportation Reauthorization and Reform Act of 2015 (STRRA)*, which is the bipartisan House proposal for reauthorization of MAP-21

The STRRA would authorize $325 billion over six years for Federal highway, transit and highway safety programs, which would continue baseline funding levels with an annual inflation adjustment. However, the Committee-approved bill does not include the revenue sources needed, and House Leaders and the Ways and Means Committee must identify new revenue measures or spending offsets to pay for any spending that exceeds the current Highway Trust Fund projections. The previously-approved Senate version of reauthorization, H.R. 22, the *Developing a Reliable and Innovative Vision for the Economy Act (DRIVE Act)*, also included six years of authorization for transportation programs but only identified three years of funding. House Leaders are expected to take a similar approach and identify funding resources for just three years of the bill. Accessing the other three years of program funding would require additional legislative action to set aside the revenue needed for the Trust Fund at that time.

The current MAP-21 extension expires on October 29, which means that another short-term extension will be necessary to keep Federal highway, transit and highway safety programs running. A three-week surface transportation extension bill has already been negotiated by House and Senate Leaders, and would extend spending authority through November 20. It is hoped that this will provide enough time for the full House to approve its bill, and for House and Senate conferees to negotiate a final version of the legislation.

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