



Senate Sets Stage For Stopgap Spending

A move by the Senate Appropriations Committee to offer a FY 2018 spending blueprint that keeps funding in line with current spending levels further muddles the appropriations process and portends a continuing resolution to keep the government operating after Oct. 1

The House adds to the likely calculated conclusion favoring a continuing resolution by holding off consideration of a FY 2018 budget resolution until early September, following the August congressional vacation. The resolution -- normally decided by April 15 -- is key for enacting mandatory spending cuts and setting the stage for tax reform.

The House move also kills a Republican Study Caucus plan to combine all 12 appropriations bills into a "minibus" bill to accelerate the process. RSC Chair Mark Walker (R-NC) strikes a deal with House Speaker Paul Ryan (R-WI) to move the budget resolution to the first week of September in exchange for dropping the minibuss plan.

The Senate Appropriations Committee's funding guidance would provide \$518.5 billion for discretionary spending while the House non-defense spending would lop off \$7.5 billion from 2017 spending levels, much of which would be applied to HUD spending.

The Senate and House moves push back full consideration of the spending plan to three congressional working weeks in September to craft a new plan or temporary solution to be in place before current spending authorization expires Sept. 30.

The House, determined to approve its version of the spending bill before the August recess, approved a \$827 billion package July 26 along party lines. The measure, which includes \$1.6 billion for a border wall, passed 235-192 largely along party lines with five Republicans voting no and five Democrats voting yes.

Regardless of the budget wrangling, the end result comes down to what President Donald Trump decides. Trump has already let it be known he would have no qualms about a government shutdown in October if Congress fails to provide a lean spending plan that includes money to build a wall between the United States and Mexico.

Congress likely would not have the numbers to override a Trump veto -- the main glitch would be the far right House Freedom Caucus determined to hold out for deep spending cuts.

The Senate Appropriations Committee's decision to stick with current spending levels likely is a ploy designed to get at least half of the difference between the House and Senate versions.

The bottom line going into the August congressional recess is there is little coordination taking place between the two chambers to reconcile a common approach to the FY 2018 spending plan.