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GENERAL MEMORANDUM 17-058

FY 2018 Continuing Resolution to Fund Federal Agencies Enacted through December 22

Late this afternoon, the President signed another Continuing Resolution (CR) to provide FY 2018 funding for federal agencies through December 22. This action occurred just hours before the previous CR was set to expire. As with the prior CR, funding is, by and large, provided at FY 2017 levels and conditions. (See our GM 17-045 of September 11, 2017.)

Outlook for Detailed FY 2018 Appropriations Bills. With this two-week CR in place, Congress will (theoretically) have time to try to reach an agreement on FY 2018 funding levels and instructions for the 12 appropriations bills. If that does not come about they will need to enact yet *another* Continuing Resolution to avoid a partial government shutdown on December 23. A major issue is the spending caps set by the Budget Control Act. There is significant support in Congress for raising the cap for defense funding but other members, primarily Democrats, want an equal raise in non-defense spending as well. In order to raise the spending caps for FY 2018, the Budget Control Act has to be amended. Should an agreement be reached on the spending caps it would likely be for a two-year period (FYs 2018-2019).

Children's Health Insurance Program (CHIP) Provision Included. The new CR also contains a technical change to allow the Secretary of the Department of Health and Human Services to redistribute unallocated CHIP funding to those states whose CHIP funding is about to expire. This is a temporary fix and is expected to address the funding problem only through December. Funding for the CHIP program expired September 30, 2017, and pending legislation to extend the authorization has not been enacted. CHIP provides health insurance to approximately 9 million children in families that earn too much money to qualify for Medicaid but not enough to buy private insurance. It is a joint state/federal program and eligibility standards differ from state to state.

Please let us know if we may provide additional information about FY 2018 appropriations.

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