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## GENERAL MEMORANDUM 18-008

### President Signs Continuing Resolution through March 23, Debt Ceiling Suspension and Increased Budget Caps for FYs 2018, 2019

This morning, the President signed HR 1892, the Bipartisan Budget Act of 2018 (Act). The Act averted a government shutdown, averted a default on the federal debt, and includes a (fifth) Continuing Resolution which funds federal agencies through March 23, 2018. Significantly, it increases the budget caps for both defense and non-defense spending for FYs 2018 and 2019, thus allowing the appropriations committees to re-work their pending FY 2018 appropriations bills taking the increased spending authority into account. The Act provides focus for where the increased funding should be directed. The goal is to have these appropriations bills finished by March 23. The Act also provides a full fiscal year of funding for the Defense Department and suspends the debt ceiling through March 1, 2019 (hence, no debt ceiling vote before the November elections). Also included are provisions concerning disaster aid, health and family programs reauthorizations, and "tax extenders". Notably, the Act does not include the funding that the President is seeking for a wall on our Nation's southern border nor does it include the protections that House Minority Leader Pelosi (D-CA) and others are seeking for individuals known as "Dreamers". Thus, both will remain sources of contention and will likely continue to complicate the remainder of the congressional session. Below is information on selected provisions of significance in the Act for tribes/tribal organizations.

Spending Caps. The Act raises the Budget Control Act's discretionary spending caps for defense by \$80 billion for FY 2018 (\$629 billion total) and by \$85 billion for FY 2019 (\$647 billion total). For non-defense discretionary spending the cap is raised by \$63 billion for FY 2018 (\$579 billion total) and by \$68 billion for FY 2019 (\$597 billion total).

Via informal agreement, the additional non-defense spending authority would be geared toward addressing *the opioid crisis* (\$6 billion over two years), *infrastructure*, including: rural drinking water and waste water, rural broadband, energy, innovative capital projects, and surface transportation (\$20 billion over two years); *child care* (\$5.8 billion over two years); *Veterans Administration hospital and clinics improvements* (\$4 billion over two years); *higher education* (\$4 billion over two years); and *National Institutes of Health research* (\$2 billion over two years).

Disaster Aid. The Act provides an additional \$89.3 billion to continue response and recovery from the damage caused by last year's hurricanes, wildfires and other severe weather events. This amount is largely directed to the Federal Emergency Management Agency's

Disaster Relief Fund, the Department of Housing and Urban Development's Community Development's Block Grant Program and the U.S. Army Corps of Engineers.

Health Programs. The Act includes:

- *Special Diabetes Program for Indians* – extended for two years with \$150 million for each of fiscal years 2018 and 2019;
- *Community Health Centers* – extended for two years with \$3.8 billion in FY 2018 and \$4 billion in FY 2019;
- *Children's Health Insurance Program (CHIP)* – extended for an additional four years, through FY 2027. The previous CR (PL 115-120) had extended CHIP through FY 2023.
- *Medicare* – while not the subject of this Memorandum, the Act also contains numerous Medicare provisions, including the extension of certain expired Medicare programs.

Family/Social Services Programs. The Act includes an array of family service/child welfare reauthorizations:

- *Maternal, Infant, and Early Childhood Home Visiting Program* – extended through FY 2022. This program, created through the Affordable Care Act, has mandatory funding of \$400 million annually. Three percent of funds are reserved for tribes, tribal organizations, and urban Indian organizations. This voluntary program provides for home visits relating to maternal and child health and development.
- *Stephanie Tubbs Jones Child Welfare Services Program* – extended through FY 2021. Although the statute does not specify a percentage or an amount of funds for tribes, they receive formula funds under this program, which is authorized under Title IV-B, Subpart 1 of the Social Security Act. Tribes currently receive about \$6 million under this program.
- *Promoting Safe and Stable Families Program* – extended through FY 2021. This program receives both discretionary and mandatory funds and the authorization covers both sources. The Act provides for level funding for the mandatory source. Tribes receive a three percent statutory allocation of the mandatory and discretionary funds which amounts to approximately \$12 million annually.
- *Court Improvement Program* – extended through FY 2021. These grants are for courts to improve their handling of child welfare cases. Tribes receive \$1 million annually which is awarded competitively.
- *Family First Prevention Services Act* – this lengthy portion of the Act is taken from five bills relating to child welfare passed earlier this Congress by the House. The Family First Act takes steps to reorient the title IV-E Foster Care, Adoption, and guardianship program from one that focuses on the child once he is removed from the home to providing support to the family in an effort to prevent the child from needing to be in foster care. We will write a separate report on this section of the Act.

Taxes. The Act includes extensions of specific provisions in the tax code, including a one year, retroactive extension of the:

- Indian Employment Tax Credit;
- Accelerated Depreciation for Business Property on Indian Reservations; and
- Production Credit for Indian Coal Facilities.

Please let us know if we may provide additional information about the Bipartisan Budget Act of 2018.

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