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# Special Report: Conference Report On Fiscal Year 2016 Budget

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## Overview

Congress passed the Conference Report for a ten year balanced budget in the House on Thursday, April 30, 2015 and in the Senate on Tuesday, May 5, 2015. The budget resolution passed the House with a vote of 226-197 and the Senate with a vote of 51-48.(1) The budget priorities address government overspending and debt reduction.(2) According to the Congressional Budget Office, the agreement will contribute \$400 billion in additional economic growth and add 1.2 million more jobs in the next two years.(3)

The deal locks in sequestration funding levels of \$1.017 trillion for fiscal year 2016, approves more than \$5 trillion in spending cuts over a decade, and does not increase taxes.(4) The plan also offers a path to repeal the Affordable Care Act through reconciliation.(5) Although sequestration limits the amount of defense and non-defense spending at \$523 billion and \$493 billion respectively, the budget blueprint includes a separate \$96 billion fund to increase military spending.(6)

Senate Budget Committee Chairman Mike Enzi (WY) and House Budget Committee Chairman Tom Price, M.D. (GA) praised the agreement, noting it was the first time since 2001 that a 10-year balanced budget agreement has been approved. "By working together we have provided a vision for how we can advance solutions to create more opportunity for Americans and a healthier economy, more accountability in Washington and a stronger, safer and more secure nation," said Chairman Price.

No Democrats supported the Republican agreement and a few members from across the Republican spectrum also disapproved of the plan.(7) Democrats in Congress called it a plan to "work more, get less," and criticized the lack of investment in education, infrastructure, and research.(8)

President Obama has publicly supported an end to sequestration funding levels and an increase in defense funding only if non-defense funding is also increased.(9) The White House offered a public statement criticizing the Republican agreement for bringing base defense and non-defense discretionary funding to its lowest level in a decade when adjusted for inflation.(10) The statement reads, "In order to make their budget work at those low levels, Congressional Republicans propose drastic cuts to programs that support the middle class and provide ladders of opportunity for those seeking to reach the middle class."(11) In addition to disinvestment in education, research, and infrastructure, critics of the budget agreement also fear cuts to Medicaid and the Supplemental Nutrition Assistance Program (SNAP), expensive programs that benefit low-income populations.(12)

### **Procedure: Repeal of the Affordable Care Act**

While a budget resolution can be passed in Congress with a simple majority, enactment of the budget is dependent upon separate legislation that must be considered by the relevant policy committee(s) and voted upon by both chambers.(13) The Conference Report includes reconciliation instructions calling on several authorizing committees to achieve specified amounts of deficit reduction from programs within their jurisdictions. Although required to meet the deficit reduction number contained in the budget resolution, it will be up to the individual authorizing committees to determine which programs to cut and by how much. With regard to the repeal of the Affordable Care Act, reconciliation can expedite the process on budgetary issues by limiting debate in the House and prohibiting filibuster in the Senate, but cannot withstand a presidential veto without the necessary number of override votes.(14) Meanwhile, the Supreme Court is considering federal subsidies provided to several states and is expected to release a decision in June 2015, which will likely influence the reconciliation process.(15)

Also related to healthcare, the final budget agreement did not include a controversial proposal from the House to privatize Medicare through a voucher-like system.(16)

### **Conclusion**

The Republican Budget Conference maintains the principled outlook that a balanced budget leads to a stronger America.(17) "This balanced budget will provide Congress and the nation with a fiscal blueprint that challenges lawmakers to examine every dollar we spend. Americans who work hard to provide for their families and pay their taxes understand that it's time for the federal government to live within its means, just like they do," stated Senate Budget Committee Chairman Mike Enzi.(18)

Although the Conference Report lays out the broad funding levels that will inform the appropriations process, both the House and Senate will have to come to agreement on individual appropriations bill in order to prevent a government shutdown at the end of September.

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- (1) <http://www.foxnews.com/politics/2015/05/03/as-sequester-continues-pressure-mounts-for-congress-to-pass-better-budget-deal/> and <http://www.washingtontimes.com/news/2015/may/5/senate-clears-way-final-passage-congress-budget/#ixzz3ZwSJWo1T>
  - (2) [http://budget.house.gov/uploadedfiles/confrpt\\_on\\_s.con.res.11.pdf](http://budget.house.gov/uploadedfiles/confrpt_on_s.con.res.11.pdf)
  - (3) <http://www.budget.senate.gov/republican/public/index.cfm/press-releases?ID=541a20a1-8adc-425d-b370-865c088ee4fc>
  - (4) <http://thehill.com/policy/finance/240508-gop-unveils-budget-deal-that-seeks-repeal-of-obamacare>
  - (5) Ibid
  - (6) Ibid and <http://www.foxnews.com/politics/2015/05/03/as-sequester-continues-pressure-mounts-for-congress-to-pass-better-budget-deal/>
  - (7) <http://www.washingtontimes.com/news/2015/may/5/senate-clears-way-final-passage-congress-budget/#ixzz3ZwSO2auA>
  - (8) <http://democrats.budget.house.gov/issue/fy-2016-republican-budget>
  - (9) <http://www.natlawreview.com/article/house-and-senate-nearing-budget-conference-agreement-energy-water-and-milconva-appro>
  - (10) <https://www.whitehouse.gov/the-press-office/2015/05/05/statement-press-secretary>
  - (11) Ibid
  - (12) [http://www.washingtonpost.com/opinions/an-ideological-blueprint/2015/05/02/8f5b523c-f032-11e4-8abc-d6aa3bad79dd\\_story.html](http://www.washingtonpost.com/opinions/an-ideological-blueprint/2015/05/02/8f5b523c-f032-11e4-8abc-d6aa3bad79dd_story.html)
  - (13) <http://www.forbes.com/sites/stancollender/2015/04/27/this-weeks-congressional-budget-will-be-worthless/> and <http://rulesrepublicans.house.gov/Educational/Read.aspx?ID=6>
  - (14) <http://www.cbpp.org/research/introduction-to-budget-reconciliation>
  - (15) <http://www.wsj.com/articles/u-s-house-and-senate-republicans-agree-on-combined-budget-1430326629>
  - (16) <http://www.washingtontimes.com/news/2015/may/5/senate-clears-way-final-passage-congress-budget/#ixzz3ZwSi2ut2>
  - (17) <http://budget.house.gov>
  - (18) <http://www.budget.senate.gov/republican/public/index.cfm/press-releases?ID=541a20a1-8adc-425d-b370-865c088ee4fc>