

SUMMER 2019

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# The 2019 Congressional

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**It's crunch time.** After Congress returns from its annual month-long summer recess in August, there is one month left in the final quarter of the federal fiscal year, and only a few months left in the calendar year. There will be a heavy push to accomplish as much as possible because, once Congress is sworn in early next year for the Second Session of the 116th Congress, the main focus will be the 2020 elections - the race for the White House and control of Congress.

Any legislation that has not been signed into law by the end of the First Session of the 116th Congress automatically rolls over into the Second Session. Several legislative items remain uncompleted, which Congress may take up before the end of the fiscal year and the end of the calendar year. Congress had until the end of the fiscal year to address the budget, the 12 annual spending bills, and the debt ceiling - the statutory limit on how much debt the U.S. government can incur. With the budget and deficit ceiling limits agreed on, the appropriations bills are one of the few must have pieces of legislation left. Federal officials, however, would also like to tackle issues related to trade, health care and drug prices, tax extenders, and more before Congress adjourns the First Session for the rest of the calendar year.

There are also federal programs, such as Temporary Assistance for Needy Families (TANF), which provides temporary cash assistance for low income families, and the Older Americans Act, which authorizes a wide array of service programs for older persons, that expire on September 30, 2019. Therefore, new laws reauthorizing these programs or extensions must be passed to keep them going. And, there are a few issues that expire September 30, 2020, so those may see debate beginning this year even if they are not completed until next year.

## Appropriations and Spending Caps

Funding for federal agencies expire on September 30, when the current federal fiscal year ends. Any of the 12 appropriations bills not signed into law by then will require a Continuing Resolution, or "CR," which keeps federal agencies operating at existing funding levels until new funds are approved.



# To-Do List



The U.S. House of Representatives has passed, mostly along party lines, nearly all of the Fiscal Year 2020 appropriations bills by combining individual bills into three packages for House floor consideration. The U.S. Senate has not released any of its spending measures, waiting instead on a budget agreement that outlines spending limits for the appropriations bills. In recent years Congress has used a technique of combining all remaining appropriations measures into a Consolidated Appropriations Act, or what is also known as an Omnibus Appropriations bill. Such a spending package could be one of the few must-pass vehicles this year for other items to hitch a ride, but attempts to add poison pill riders – abortion funding, climate change policy, or language restricting the President’s initiatives such as how border security funds can be used – could also derail the package altogether.

During debate over the debt limit in 2011, federal spending caps were enacted as part of the Budget Control Act (BCA). Under the BCA, automatic spending cuts, known as sequestration, went into effect through 2021 and were intended to provide an incentive for bipartisan support on reducing the national debt. Under the law, \$125 billion would have been automatically cut from discretionary spending across all federal agencies in Fiscal Year 2020, unless Congress passed a budget that raised them. Since the BCA went into effect in 2013, three separate two-year budget deals have been approved, each time raising the caps.

The latest agreement reached between President Trump and congressional leaders is also for two years. It ends sequestration, increases budget caps on discretionary spending authority by \$324 billion, and suspends the debt limit. It makes available \$738 billion in defense spending for 2020 and \$741 billion for 2021, while \$632 billion is available for domestic spending in 2020 and \$635 billion in 2021. In an effort to help reduce the cost of raising the caps, the deal also reduced spending authority by \$77 billion over 10 years. These savings come mostly from extending policies on Medicare and customs fees rather than traditional fiscal restraints. With a two-year agreement, the next budget and debt ceiling talks are now after the 2020 elections.

The higher spending levels for 2020 and 2021 mean the annual budget deficit will





likely top \$1 trillion a year. Although President Trump has proposed huge spending cuts in each of his budgets, they were largely ignored by lawmakers of both parties – Republicans leading the House during the last Congress and Democrats leading the House during this Congress. This new deal kills any effort to reduce deficit spending for at least the next two years. Both sides stated publicly that Republicans needed Democrats in order to pass a budget in the Senate, and Democrats would not support a budget with drastic cuts to social programs. Senate Republicans also could not afford to lose any votes in support of the budget, so cuts in defense spending were not going to happen either. Both Democrats and Republicans have claimed victory on the budget–debt limit deal, and both parties have those who criticize it over deficit spending and those who say it is still better than cuts to important federal programs.

The debt ceiling, which sets the borrowing limit, was also part of the agreement. The debt limit was last suspended through March 1, when it was set at \$22 trillion. “Extraordinary measures” have been used since then to meet U.S. debt obligations and avoid default. The Treasury Department had warned that the ceiling would be reached by early September, before lawmakers were scheduled to return from their summer recess on September 9, thus Congress needed to raise the debt ceiling before they left. Now, with this new deal, the debt limit is suspended until July 31, 2021.

## Legislative Priorities

Beyond the appropriations bills, there are some additional deadlines and programs requiring congressional action that are worth watching. These include implementation of the United States-Mexico-Canada Agreement (USMCA); tax extenders and technical corrections to the 2017 tax overhaul law; health extenders; and flood insurance, to name a few. There may also be opportunities to address drug pricing, immigration laws, higher education reauthorization, and child nutrition reauthorization. Additionally, if Congress does manage to work through a large infrastructure bill, it could include expansion of broadband and workforce development.

## NCACC Priorities

The briefing materials on the NCACC’s federal legislative priorities have been updated for the second half of the year and posted on the organization’s website. NC Counties are encouraged to use these materials to continue advocating with your Members of Congress for NC counties’ priorities. Also on the website is a 2019 Congressional Calendar, which provides dates when Members of Congress are in recess and more likely to be in district and state offices. Scheduled recesses, also known as district work periods, are great times to invite your Members of Congress to meet locally in order to reinforce NCACC and local county priorities. ■