

February 28, 2018

Shutdown Showdown is Over as Budget Deal Passes Congress

In the early morning hours of Friday, February 9, by a vote in the Senate of 71-28 and 240-186 in the House, Congress passed, and the President signed a bipartisan budget deal. The Bipartisan Budget Act of 2018:

- Increases federal spending by about \$400 billion over the next two-years;
- Outlines two-year spending cap levels, which raise nondefense by \$63 billion in Fiscal Year (FY) 2018 and \$68 billion in FY19 and raise defense spending by \$80 billion in FY18 and \$85 billion in FY19;
- Creates another six-week continuing resolution (CR) - funding the government until March 23 - so Congress can rally around a FY18 Omnibus spending package;
- Raises the Debt Limit through March 1, 2019;
- Adds \$89.3 billion in disaster aid; and
- Extends and addresses a number of outstanding Medicare provisions and other legislative priorities.

Coming in at just over 600 pages, the budget package contains many provisions that impact the social work profession and our clients. Below are key highlights of this budget compromise:

Extends Children Health Insurance Program (CHIP):

The Congressional Budget Office (CBO) found that the longer Congress funded CHIP, the more money it saved. CBO's findings prompted Congress to act and pass another four-year extension to CHIP in this budget bill. The four-year addition, along with the six-year extension passed in January's CR, means CHIP is reauthorized for another 10 years! This is a major win for more than nine million children and families.

Prioritizes Mental Health and Addiction Treatment:

NASW members know firsthand the importance of mental health and have seen the direct impact the opioid epidemic has had on our communities and clients. In the Bipartisan Budget Act of 2018, Congress authorized \$6 billion over two years for mental health programs and to combat the opioid crisis. While there is more work to be done, Congress' actions are a step in the right direction and these resources are vital to our efforts.

Supports Public Health Programs:

Community Health Centers (CHCs): After being passed over in January's CR, CHCs received an extension and a mandatory funding increase in the Bipartisan Budget Act of 2018. Originally funded at \$3.6 billion per year, CHCs will now receive \$3.8 billion for FY18 and \$4 billion for FY19. Supplemental grants are also authorized for centers that implement "evidence-based models that increase access to high-quality primary care." This is a top priority for NASW, and we are happy to see this increase and extension of the CHCs.

National Health Service Corps: Supported by both Democrats and Republicans the National Health Service Corps received a two-year extension of current funding, \$310 million per year, for both FY18 and FY19. These funds ensure that clients in areas of national need continue to receive the health care services they rely upon.

Includes Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program:

After concerns last month that MIECHV programs could face an enrollment freeze adversely impacting children and families, Congress finally acted! Under the Bipartisan Budget Act of 2018, MIECHV will receive level funding of \$400 million per year for FY18 through FY22. NASW has been an ardent supporter of MIECHV and is pleased to see a four-year extension to this valuable program.

Focuses on Family Services:

The spending bill also included the Family First Prevention Services Act (FFPA), a longstanding priority for many focused-on child welfare reform efforts.

States will also have access to federal funds available under IV-B and IV-E programs that focus on:

- Partial federal reimbursements for states to provide “services that enable children to remain safely at home, or with a kin care provider, instead of entering foster care.” These services range from mental health and substance abuse prevention and treatment services to parenting skills training.
- Continued funding for Child Welfare Services program and the Promoting Safe and Stable Families program through FY2021.
- An additional \$8 million in FY18 for grants to support the recruitment and retention of high-quality foster families.
- Reauthorizing adoption and legal guardianship incentive programs at the same level, \$43 million, per year through FY2022.
- Providing \$5.8 billion for Child Care Development Block Grants.

Included in the FFPA is also a provision from the bipartisan Child Welfare Oversight and Accountability Act, requiring States to compile an annual child maltreatment death data and provide information on what States are doing to develop and implement statewide multidisciplinary fatality prevention plans.

Other Key Provisions:

The budget deal also includes various Medicare extenders, one-year extension to a number of tax breaks, the closing the Medicare Part D prescription drug benefit “donut hole” in 2019 - a year earlier than anticipated, and a permanent repeal to the Medicare therapy cap. In addition to other funding efforts, \$4 billion was allocated to rebuild veterans’ hospitals and clinics and \$20 billion was included for infrastructure projects, such as, surface transportation and clean drinking water.

Overall Non-Defense Analysis

According to the [Center for Budget and Policies Priorities \(CBPP\)](#), the bipartisan Congressional budget deal would substantially boost overall **non-defense appropriations** – these appropriations fund programs including education, job training, and infrastructure. The problem with the deal is that are funded at levels that are below the rate of inflation covering the past eight years. Therefore, these programs will essentially remain under funded during the two-year period of the budget agreement.

The budget agreement did raise the limits on both defense and non-defense spending for 2018 and 2019. However, because the 2011 Budget Control Act and sequestration process kept those appropriations so low, any increase only moves the budgets to a level to meet realistic budget needs. For example, the new agreement would raise the non-defense cap by \$63 billion in 2018 and \$68 billion in 2019, as compared to where they were

at the sequestration levels. This will help mitigate some of the harm done in the past, and help meet the needs of vulnerable households.

Department of Justice

The Justice Roundtable and other criminal justice coalition are concerned that the two-year Congressional budget deal will leave crucial programs in jeopardy- a number of key programs are slated for cuts. The concerns of the advocacy community are that DOJ programs have to be funded at levels that meet the growing needs. We are focusing on funding of **DOJ's Office of Justice Programs (OJP)**. Of particular concern are;

- **Office of Violence Against Women, and**
- **COPS Office in the final FY18 and FY19**

The problem is that federal funding to support of these programs has declined steeply in recent years. Since FY10, the state and local justice assistance grant programs have been cut by up to 40 percent. The coalitions are fighting against any further reductions in these programs.

What's next?

While the passage of the Bipartisan Budget Act of 2018 averted another government shutdown, there are still many legislative items on the "to-do" list. Outstanding priorities impacting NASW members and clients in the coming weeks, include:

Deferred Action for Childhood Arrivals (DACA)/Dreamers Bill: One item that did not make it into this budget agreement was a DACA solution. With the March 5, 2018 deadline fast approaching, Congress has only a few short weeks to reverse Trump's decision to rescind DACA and protect 800,000 young people and their families. As Congress works to find a compromise, NASW continues to express the need to protect this program and is working diligently to hold Congress accountable to find a solution before the March deadline. The Supreme Court declined to take up a key case dealing with the DACA program. The result is DACA will stay in place until, or if, the Supreme Court takes it up.

Stabilization of Health Insurance Markets: While a bipartisan priority, this effort has taken a backseat in recent weeks. Congress, however, will need to get back on track and focus on health care marketplace stabilization efforts. This includes passing bipartisan solutions to avoid drastic premium hikes in 2019 and to stunt the exodus of insurers from the marketplace. NASW is committed to the stabilization of the health care marketplace so all citizens have access to high-quality, affordable health care.

President's Budget: The President's FY19 budget is expected to be unveiled this week. The President's budget is offered to Congress as a blueprint of the Administration's federal priorities and informally kicks off the Congressional appropriation season. While the President's budget is unlikely to comport with the spending deal reached last week, Congress will ultimately work through its own process to set programmatic funding for FY19. As always, the President's budget will serve more as a signal to Congress of policy priorities for the year ahead rather than a strict spending plan.

FY18 and FY19 Funding of the Federal Government: The six-week long CR, agreed upon in the Bipartisan Budget Act of 2018, gives Congress until March 23, 2018 to coalesce around an Omnibus FY18 budget plan. Should an Omnibus deal go through, it would fund the federal government through the end of FY18 – September 30, 2018.

While Congress continues to finalize the FY18 budget, they will also kick off the FY19 appropriation season. We are hopeful that with the two-year budget deal and set spending caps, the FY19 process will run smoother than the FY18's budgetary rollercoaster. Time will tell.

Throughout these conversations, NASW will continue to voice our support for funding federal programs imperative to social workers, the broader profession, and our clients. As we look ahead to FY19, we will keep you updated on areas where you can weigh in and voice your support for these vital federal initiatives.