



*Week of 5-23-16  
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### **Congressional Overview**

The House forged ahead with its appropriations process this week, while the Senate debated their defense bill before departing for the Memorial Day recess.

### **Puerto Rico Relief Bill Faces Opposition from Both Sides**

Prominent interest groups on both sides of the political spectrum are lining up against the latest rescue plan for debt-ridden Puerto Rico. The revised bill (HR 5278) would establish an independent oversight board to help the territory reorganize its \$72 billion debt in federal court, after first trying "voluntary" out-of-court negotiations. While congressional leaders from both parties expressed support for the measure, outside interest groups still are not sold on it. A group of seven labor unions, including the AFL-CIO, issued a letter calling the bill unacceptable and harmful to Puerto Rico's economy, partly because it would reduce the minimum wage and overtime protections.

### **President Obama Weighs in on Zika Funding Plans**

Last Friday, President Barack Obama weighed in on the competing House and Senate funding plans to combat the Zika virus, and he made it clear he's not a fan of either plan. He renewed his request for \$1.9 billion in emergency funding to develop a vaccine and control mosquito populations.

Per the President, "Unfortunately, what we have right now is the Senate approving a package that would fund a little over half of what's been requested and the House so far has approved about a third of the money that's been requested; except that funding is taken from the fund that we're currently using to continue to monitor and fight against Ebola. So, effectively, there's no new money there."

The House approved a supplemental Zika bill that would provide \$622 million through the end of September, offset with cuts from unspent money allocated for the Ebola virus. House Republicans have said additional money for the fiscal year that begins October 1 could be approved as needed as part of the regular appropriations process. The Senate, by contrast, approved \$1.1 billion in emergency money without any cuts to other programs.

### **House Passes First FY 17 Appropriations Bill**

Last week the House passed the \$81.6 billion Military Construction-VA FY 17 appropriations bill, the first appropriations bill to be adopted by the House this year. The bill includes medical marijuana for veterans, the display of Confederate flag imagery in Veterans Affairs cemeteries and protection for LGBT individuals in military contracts.

### **Senate Defense Bill Could Have Big Impact on FY 17 Appropriations Process**

Senate Armed Services Chairman John McCain (R-AZ) is pushing to increase defense spending by about \$17 billion above the spending caps that serve as the Senate's makeshift budget blueprint for the coming fiscal year. The outcome of that effort may determine whether the Senate will continue to abide by a \$1.07 trillion limit on discretionary spending for FY 17, as agreed to in last year's bipartisan deal. Democrats have warned that violating that accord would risk blowing up the appropriations process. The House avoided a budget breach while boosting base defense spending through a legislative sleight of hand. Members raided a war spending account, which is exempt from budget caps, to funnel more money into other defense programs. As a result, the war account would

run dry midway through FY 17 and would require the next president to seek more money for troops in Afghanistan, Iraq and Syria.

McCain, by contrast, has never liked supplemental war funding bills, which can bypass his committee to be handled by appropriators. He had signaled weeks ago he would find extra defense money without trying to raid the war account. While House members sought to work within the budget caps, McCain is mounting an assault against spending limits he called "disgraceful." If McCain gets his way, beware of increased turmoil in the already rocky appropriations process.