Congressional Outlook

Week of March 30th

The House and Senate are in session until April 13. This Wednesday, April 1, it is expected that revised premiums will go into effect for the 1 million homeowners and businesses covered by the National Flood Insurance Program (NFIP). Approximately 800,000 primary homeowners will see a 10% increase, while 300,000 vacation homeowners and businesses will see an 18% increase (an earlier 2012 law would have raised the premiums by 25 percent). The NFIP is currently $24 billion in debt, mostly due to the overwhelming number of claims resulting from Hurricanes Katrina and Sandy.

Week in Review

House and Senate Pass FY 2016 Budget Resolutions

Last Friday, the Senate adopted its budget resolution for fiscal year 2016 with a 52-46 vote after dozens of votes on everything from climate change policy to health care to sanctions on Iran. The Senate budget resolution achieves about $5 trillion in 10-year savings, nearly half of which is realized through the repeal of the Affordable Care Act - which would certainly face a veto should it ever reach President Barack Obama’s desk - and hundreds of billions in other unspecified entitlement savings. Last Wednesday, the House approved its budget, which purports to balance the federal budget within a decade by securing about $5.5 trillion in 10-
year spending savings. The Senate's budget is similar, but not identical, to the House passed budget.

Budget resolutions present 10-year spending and revenue plans and make deficit estimates. They are non-binding congressional blue prints, but can generate binding legislation by including reconciliation instructions. Budget law calls on Congress to pass a budget resolution by April 15, but there is no sanction if this does not occur. A House-Senate conference committee will convene in April to try to draft a compromise plan. If such a compromise is reached, it then goes to the floor of the House and Senate for final votes.

**WOTUS Budget Amendment Vote May Signal Bipartisan Support for Delaying Proposed Rule**

Senate Republicans may have garnered a filibuster-proof majority in favor of delaying or stopping the Corps of Engineers’ and EPA's controversial “waters of the U.S.” (WOTUS) proposed rule. Sen. John Barrasso (R-WY) introduced an amendment to the Senate FY 2016 budget resolution that would limit Clean Water Act (CWA) implementation and jurisdiction to “water quality” policies only, and exclude many types of waters and lands, including man-made irrigation systems and all ditches, from CWA jurisdiction. It passed 59-40, but Sen. Ted Cruz (R-TX), who would have voted for it, was absent, meaning Senate Republicans may have 60 votes in favor of modifying the agencies’ approach to CWA jurisdiction. While the language of the amendment itself seemed somewhat vague and broad-based, clearly the intent was to limit the expansion of CWA implementation to only certain waters and activities while excluding other uses (i.e. agriculture, irrigation, ditches, etc.).

**Budget Amendment Rejects Call to Finance Highways with Corporate Tax Breaks**

Last week, the Senate shot down Sen. Bernie Sanders’ (D-VT) proposal to fund $478 billion in infrastructure projects by closing unspecified corporate tax breaks. The vote was 45-52. This vote casts serious doubt on what was once a viable financing mechanism for funding the next surface transportation bill.

**Senate Passes Minor Energy Efficiency Bill**

Last week, the Senate passed S. 535, the Energy Efficiency Act of 2015, sponsored by Sens. Rob Portman (R-OH) and Jeanne Shaheen (D-NH) that would modify a Department of Energy (DOE) efficiency standard for large water heaters that rural electric cooperatives warned would have prevented them from expanding demand-response programs. The bill also would create a ‘Tenant Star’ certification program (similar to the existing Energy Star program) designed to encourage energy efficiency for leased buildings. The House passed similar legislation last year on a bipartisan basis, and could adopt the Senate passed bill just prior to the DOE deadline of April 15 when the water heater rule is scheduled to go into effect.

**Tax Reform Markup Unclear**

Last week, Senate Finance Committee Chairman Orrin Hatch told reporters that there is no decision yet on whether a tax reform bill will be marked up in committee this year. Hatch said there are five working groups and he will meet with all of them to see what they've come up with and if they can come up with a reform bill that makes sense. The working groups,
charged with examining various segments of the tax code, have been asked to produce recommendations by the end of May.

**Senate Minority Leader Harry Reid Announces Retirement**

Senate Minority Leader Harry Reid (D-NV) last week announced that he would not seek re-election in 2016. Reid has served in Congress for over 30-years. Sen. Charles Schumer (D-NY) is expected to succeed Sen. Reid as top Democrat in the next Congress.

**Congressional Schedule**

There are no scheduled hearings this week as the House and Senate are in recess.