



Legislative Bulletin.....October 16, 2013

Senate Amendment to H.R. 2775 (Amendment proposed by Sen. Reid, D-NV)

Order of Business: The bill is scheduled to be considered on Wednesday, October 16, and will be brought to the floor without a rule under a unanimous consent agreement providing for one hour of debate equally divided and a single vote on passage. H.R. 2775 is the House-passed “No Subsidies Without Verification Act,” a bill by Rep. Diane Black (R-TN) to require income verification before certain Obamacare subsidies could be granted. The Senate will amend H.R. 2775 with the legislation summarized below.

Summary:

Topline: The bill (text as reported by Politico [here](#) – note that at press time text was not available from House Rules) would fund the government at the current operating level (\$986.3 billion) through January 15, 2014; would suspend the debt ceiling through February 7, 2014, although Treasury will have the option of employing “extraordinary measures” to borrow well beyond that date; and require the Secretary of Health and Human Services to certify that income verification for individuals receiving insurance subsidies through Obamacare.

Government Funding: The bill would fund the government through January 15, 2014, (and Section 118 specifies that “the time covered by this joint resolution shall be considered to have begun on October 1, 2013”) at the current operating rate of \$986.3 billion (base discretionary). This is the Budget Control Act (BCA) mandated post-sequester level for Fiscal Year 2013. In mid-January, the BCA would require sequestration to bring annualized spending to \$967.5 billion (base discretionary), which is the post-sequester level for Fiscal Year 2014. To see the OMB’s most recent sequestration report, including a full breakdown of spending allowed by the BCA in Fiscal Year 2014, click [here](#).

The bill fully funds Obamacare and does not protect American families from the Democrats’ unworkable, unaffordable, and unfair health care law. To read the RSC’s 29-page news roundup on Obamacare’s troubled roll out, click [here](#).

The Senate product ignores numerous efforts by the House taken in response to the unfolding chaos surrounding the Obamacare rollout. The House voted to defund the law, delay it, and repeal some of its job-killing taxes. Further, the House voted to ensure fair treatment under the law by voting to suspend the individual mandate’s fine for individuals and families to match the White House’s suspension of the employer mandate fine for businesses. The House also voted to

require Members of Congress, congressional staff, the President, Vice President, and presidential appointees to enroll in Obamacare under the same terms as every other American.

To see a timeline of actions the House took to stop or slow Obamacare leading up to, or during, the government slowdown, click [here](#).

Debt Ceiling: Division B Section 1002 of this bill would authorize the president to suspend the debt limit through February 7, 2014, only for obligations “necessary to fund a commitment incurred pursuant to law by the Federal Government that required payment before February 8, 2014.” This suspension of the debt limit is subject to a resolution of disapproval by Congress (a 2/3 majority being necessary in the House and Senate to override a presumed veto of the joint resolution disapproving of the debt limit suspension). On February 8, 2014, the debt limit would be increased to reflect the borrowing that occurred during the debt limit suspension. This mechanism for increasing the debt limit is similar to that used in the No Budget, No Pay Act (RSC analysis [here](#)) and allows the Treasury Department to replenish its “extraordinary measures” during the suspension of the debt limit. This will give the Treasury Department the ability to create headroom via “extraordinary measures” after the debt limit is reinstated on February 8, 2014.

The Bipartisan Policy Committee [estimates](#) that between May 19, 2013, (when the No Budget, No Pay Act debt limit suspension expired) and August 31, 2013, the Treasury Department used nearly \$200 billion in extraordinary measures. It is likely that the Treasury Department has used an additional \$100 billion in extraordinary measures since August 31, 2013. By allowing replenishment of these extraordinary measures, the bill guarantees that February 8, 2014, is not a hard deadline.

Income Verification: Section 1001 of Division B requires the *Secretary of Health and Human Services (HHS)* to certify by January 1, 2014, that there is verification in place for individuals applying for the credits and cost-sharing, in accordance with Section 1411 of the Affordable Care Act. In addition, the Secretary of HHS will certify to Congress that the Exchanges are consistent with ACA requirements. This differs from the House-passed No Subsidies Without Verification Act, H.R. 2775 (Rep. Black, R-TN), which required *the Inspector General* to verify a program was in place before credits and cost-sharing reductions are to be made available, in accordance with Section 1411 of the Affordable Care Act.

- Background: On July 5, 2013, the Department of Health and Human Services released more than [600 pages](#) of regulations, which included the announcement that it would delay until 2015, requirements for verification of income and health coverage status for insurance subsidies provided by the Affordable Care Act in the 16 states and District of Columbia that are setting up their own Exchanges, thus creating a system of “self certification.” Allowing individuals to apply for and receive subsidies without verification would likely lead to fraudulent subsidy claims.

Miscellaneous Provisions:

- Federal Employee Back Pay – Section 115: Requires that furloughed employees be compensated at their standard rate for the period during which they were furloughed. The section defines “employee” as: a federal employee; an employee of the District of Columbia Courts; an employee of the Public Defender Service for the District of Columbia; and a District of Columbia Government employee. The House [unanimously](#) passed stand-alone legislation to the same effect (H.R. 3223) on October 5, 2013.
- State Reimbursement – Section 116: Provides for reimbursement to states that funded federal programs or paid the federal share of state worker salaries during the lapse in appropriation.
- Military Pay – Section 117: Specifies that expenditures made pursuant to the Pay Our Military Act shall be charged to the applicable appropriation, fund, or authorization provided in this joint resolution.
- Agency Conferences – Section 119: Continues the requirements established in the last continuing resolution ([P.L. 113-6](#)) that requires agencies to submit detailed reports to their Inspectors General for conferences that cost taxpayers more than \$100,000. Notification is required for any conference costing over \$20,000.
- Lord’s Resistance Army – Section 122: The CR allows for funds to be used to support foreign forces in operations to disarm the Lord’s Resistance Army in central Africa. This funding was authorized in the National Defense Authorization Act for 2012 and, in accordance with the act, expired after September 30, 2013.
- Construction Projects in Kentucky – Section 123: The CR raises the authorization amount for a navigation project on the Lower Ohio River. Specifically, construction cost for locks and dams #52 and #53 are raised from \$775,000,000 to \$2,918,000,000. More information can be [found here](#).
- Appalachian Regional Development Commission – Section 124: The CR extends authority for the Appalachian Regional Development Commission. This authority expired on October 1, 2013. The RSC Budget for FY2014 eliminated this commission. More information can be [found here](#).
- District of Columbia Funds – Section 127: This CR allows the District of Columbia to expend local funds. The House passed similar language by voice vote on October 2, 2013. The Legislative Bulletin for H.J. Res. 71 “Provide Local Funding for the District of Columbia Act” can be viewed [here](#).

- Privacy and Civil Liberties Oversight Board – Section 130: The CR appropriates an additional \$3,100,000 for this program which is not at sequester levels. More information about the Privacy and Civil Liberties Oversight Board can be found [here](#).
- Highly Qualified Teacher Codification – Section 146: Codifies the regulations for the 2014-15 years. This changes current statute from 2013-2014. The House voted to repeal the Highly Qualified Teacher Program in H.R. 5, the Student Success Act.
- Office of Refugee Resettlement – Section 144: The CR gives HHS the authority to obligate a higher percentage of the Office of the Refugee Resettlement funds to increases in costs under the Unaccompanied Alien Children Program.
- Payment to the widow of the late Senator Frank R. Lautenberg – Section 147: The CR appropriates \$174,000 to Bonnie Englehardt Lautenberg.
- Federal Aviation Administration – Section 151: The CR provides \$9,248,418,000 for the Operation of the Federal Aviation Administration. The House passed H.J. Res. 90 on October 9, 2013, which provided funding for the FAA at post-sequester levels. The CR provides funding at non-sequester levels. More information about the FAA can be found [here](#).
- Maritime Administration – Maritime Security Program – Section 153: The CR appropriates \$186,000,000 for the Maritime Security Program. This is at non-sequester levels. The [Maritime Security Program](#) began in 1996 under President Clinton. According to the Maritime Security Program [website](#) it established “a fleet of active, commercially viable, militarily useful, privately-owned vessels to meet national defense and other security requirements.”
- Emergency Funding for Colorado Flood Relief – Section 157: waives the \$100 million per-natural disaster cap on emergency relief from the Federal Highway Administration for Colorado flooding. The cap for Colorado flooding relief is set at \$450 million. These funds are available from unobligated amounts from previously-appropriated funds in the Hurricane Sandy disaster relief bill (H.R. 152, [P.L. 113-2](#)).

NOTE: The agreement for the House and Senate to go to conference on the budget resolution is not itself contained or referenced in any way in this legislation.

Administration Position: At press time, no official statement of administration position was available. However, the White House has “[applauded](#)” the bill.

Outside Organizations:

Chamber of Commerce is [scoring in favor](#).

Heritage Action is [scoring against](#).
Club for Growth is [scoring against](#).

RSC Staff Contact: Will Dunham, Will.Dunham@mail.house.gov, Ex. 6-0718

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