



County of Los Angeles CHIEF EXECUTIVE OFFICE

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SACHI A. HAMAI
Interim Chief Executive Officer

April 17, 2015

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To: Mayor Michael D. Antonovich
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Supervisor Sheila Kuehl
Supervisor Don Knabe

From: Sachi A. Hamai 
Interim Chief Executive Officer

WASHINGTON, D.C. UPDATE ON FEDERAL FISCAL YEAR (FFY) 2016 BUDGET RESOLUTION

This memorandum is to provide the Board with an update on the status of the Federal Fiscal Year (FFY) 2016 budget resolution, which will set non-binding 10-year spending and revenue targets to guide Congressional action on fiscal legislation.

This week, both houses appointed members to the conference committee, which will reconcile the differences between the House and Senate versions (H. Con. Res. 27 and S. Con. Res. 11) of the FFY 2016 budget resolution. There are no Californians on the conference committee. House Budget Committee Chairman Price (R-GA) has indicated that conference committee action probably will be completed by the end of April. It is widely expected that the conference version will be approved in committee and be passed in both houses on party-line votes, similar to how the House and Senate versions of the FFY 2016 budget resolution were approved on party-line votes in March 2015.

As reported previously, both versions would balance the Federal budget deficit within ten years by significantly reducing non-defense spending. Mandatory (entitlement) programs, especially Medicaid, would bear the brunt of the spending cuts because both would repeal the entire Affordable Care Act (ACA) and replace the current open-ended Medicaid entitlement with a state block grant funded at a far lower level. Attached is a chart comparing the House- and Senate-passed budget resolutions.

The most contentious issues in conference committee are issues on which there are differences within the Republican majority in both houses. Those issues include the budget reconciliation instructions, the overall level of defense spending, and procedural

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budget rules relating to defense spending. The House version includes reconciliation instructions for 13 committees to report legislation to reduce the budget deficit while the Senate version includes reconciliation instructions for only the Senate committees with jurisdiction over the ACA – the Health, Education, Labor and Pensions and Finance Committees. The risk of funding cuts in the Supplemental Nutrition Assistance Program (SNAP), which funds CalFresh in California, would be far greater if reconciliation instructions were to apply to the Senate Agriculture Committee, which has jurisdiction over SNAP. This is because budget reconciliation legislation can be passed by the Senate on a simple majority vote rather than a 60-vote majority, which would require support by some Democrats.

We will continue to keep you advised.

SAH:JJ:MR
MT:gl

Attachment

c: All Department Heads
Legislative Strategist

**COMPARISON OF HOUSE AND SENATE BUDGET RESOLUTIONS
(H. Con. Res. 27 and S. Con. Res. 11)**

The dollar figures below reflect 10-year estimates (FYs 2016 through 2025)

	House (in billions)	Senate (in billions)
Total Deficit Reduction/Spending Cut	\$5,466	\$5,099
Total Mandatory Spending Cuts	4,171	4,292
Affordable Care Act Repeal (part of mandatory spending cuts)*	2,042	2,042
Medicaid Spending Cut (excluding ACA repeal savings)**	913	400
Supplemental Nutrition Assistance Program Spending Cut***	125	unspecified
Total Discretionary Spending Cuts	499	97
Total Non-Defense Discretionary Spending Cut	759	236
Total Defense Spending Increase	260	139
Total Net Interest Savings	798	710

These dollar figures are Budget Committee estimates. The Congressional Budget Office does not score (estimate) the cost of budget resolutions, which do not include detailed legislative language.

* The estimated \$2.042 trillion in savings from repealing the Affordable Care Act (ACA), includes an estimated \$904 billion in Medicaid savings.

** These estimates reflect savings from converting the current open-ended Medicaid entitlement into a state block grant, which would be capped at lower funding levels and do not include the estimated \$904 billion in Medicaid savings from repealing the ACA.

*** The House version assumes \$125 billion in savings from converting the current open-ended Supplemental Nutrition Assistance Program (SNAP) entitlement into a state block grant, which would be capped at lower funding levels. The Senate Budget Committee did not indicate how much SNAP spending might be reduced as part of its \$4.292 trillion in overall mandatory spending cuts.

The House budget resolution includes reconciliation instructions for 13 committees to submit legislation to reduce the deficit, including the Agriculture, Energy and Commerce, Natural Resources, Transportation and Infrastructure, and Ways and Means Committees which have jurisdiction over mandatory spending programs through which the County receives funding.

The Senate budget resolution includes reconciliation instructions for only the Health, Education, Labor and Pensions (HELP) and Finance Committees.