Why a Government Shutdown Looms a Few Weeks Away

Meanwhile, GOP lawmakers eye repealing the individual mandate of Obamacare.

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Amidst all the intrigue and politicking around Republican plans to institute the first major overhaul of the U.S. tax code in more than 3 decades, Congress seems to have relegated the funding of the federal government for the 2018 Fiscal Year to little more than an afterthought. With a government shutdown looming in a month, all signs in Congress are pointing toward yet another continuing resolution being issued by Congress that would postpone the passage of FY18 appropriations packages into January or February of 2018. The delay in completing the budget for the current fiscal year directly affects HIV programs that are federally funded.

One major source of contention between Republicans and Democratic appropriators revolves around 2011 Budget Control Act (BCA) and continued parity between increases for defense and non-defense discretionary spending. According to the last two budget agreements, all increases in spending for defense and non-defense discretionary programs have to be equal and, judging by their recent actions, Congressional Republicans don't want to keep it that way.

On Wednesday, both the House of Representatives and the Senate Armed Services committees agreed on the National Defense Authorization Act (NDAA) that would drastically increase defense spending, raising it from its $619 billion price tag last year to roughly $700 billion for FY18 and requiring a massive raising of the 2011 BCA spending caps. Without an equal, or nearly equal, increase to non-defense discretionary spending or a major concession along the lines of restoration of ACA Cost Sharing Reductions subsidies, Democrats are unlikely to sign onto any agreement to lift the spending caps on discretionary spending, leaving a government shutdown as a real possibility this December.

As was the case at this time last week, congressional Republicans have yet to agree on any top-line spending numbers, opting instead to focus all of their energies on a tax plan that would, as it is currently constructed in the Tax Cuts and Jobs Act currently being pushed in the House, raise the federal deficit by $1.7 trillion over the next 10 years, $200 million more than is allowed under the budgetary rules passed last month. With this larger than expected projected deficit increase, House Ways and Means Chairman Kevin Brady (R-TX) and other House Republicans have been looking for additional ways to gain revenue to offset the massive tax cuts they're doling out to corporations and the wealthiest Americans. Among these is the potential addition of a provision

that would repeal the Affordable Care Act's individual mandate, a move that would cut the deficit by $338 billion over the next 10 years while leaving an additional 13 million Americans without insurance.

Senate Republicans have yet to unveil their rewrite of the tax code, but are expected to release it on Thursday or Friday this week. While no legislative text of their bill has been released, news outlets have been reporting that there are likely to be sizable differences between it and the House's tax plan, most notably in the Senate's purported provision that would completely eliminate the option for people to deduct state and local income, sales and property taxes on their federal tax returns, a move that would disproportionately harm residents of high-tax blue states like New York, New Jersey and California.

Both the delay in completing FY '18 appropriations and the congressional Republicans' tax plans will affect federal funding for HIV programs. The appropriations delay adds uncertainty to the amount of money HIV programs can expect to receive this year. The tax plans as currently proposed will create large federal deficits that most certainly will lead to drastic cuts total federal funding for HIV and other domestic programs and to Medicaid, starting in FY '19 and continuing through FY '27.

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