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2016 Omnibus Spending Bill Epilogue

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EDITOR'S NOTE: All years are fiscal years unless otherwise stated.

Use of the Omnibus: Combining Appropriations to Resolve Impasses

The annual congressional fiscal process is designed to produce 12 individual appropriations bills prior to the start of the new fiscal year on October 1. However, for a variety of reasons, this has not occurred since 1995. When the appropriations process stalls, one method Congress frequently uses to provide funds for the federal government is merging multiple appropriations bills into a single "omnibus" package, or sometimes into a handful of smaller "minibus" bills.

An omnibus expedites floor consideration of legislation when the fiscal deadline looms and also provides an expanded field for funding and policy negotiations to take place. Notably, in 1997, the last year Congress passed all appropriations legislation by the September 30 deadline, it completed its work through an omnibus.

Recent fiscal years have seen a variety of omnibus permutations. Congress approved 2009 and 2012 spending through two separate omnibus packages per year, and 2010 featured a six-bill omnibus. The 2014 Omnibus (P.L. 113-76) and 2016 omnibus (P.L. 114-113) contained all 12 spending bills, while the Consolidated and Further Continuing Appropriations Act (P.L. 113-235) for 2015 was a combination omnibus and continuing resolution.

Although there is sometimes confusion between continuing resolutions and omnibus packages, the two are distinct. Continuing resolutions only permit minor changes to previously enacted spending, but an omnibus bill gives the Appropriations Committee and the rest of Congress the ability to fine-tune federal funding priorities.

Path to the 2016 Omnibus

A lack of agreement over funding levels in the budget resolution led to congressional passage of the Continuing Appropriations Act, 2016 (P.L. 114-53), which provided funding through December 11, 2015. This impasse was resolved by increasing spending caps through the Bipartisan Budget Act of 2015 (BBA, P.L. 114-74), with $50 billion in new spending equally divided between defense and non-defense. The following table shows how funds were allocated between the budget resolution and the 2016 omnibus for defense and non-defense spending:

Differences in 302(b) Allocations (BA)

($ Millions)

Subcommittee	Pre-BBA Defense	Pre-BBA Non-Defense	BBA Defense	BBA Non-Defense	Difference, Defense	Difference, Non-Defense
Agriculture	-	20,510	-	21,750	-	1,240
Commerce, Justice & Science	5,068	46,000	5,101	50,621	33	4,621
Defense	488,995	136	514,000	136	25,005	0
Energy/Water	19,002	16,366	18,860	18,325	-142	1,959
Financial Services	46	20,510	44	23,191	-2	2,681
Homeland	1,711	38,502	1,705	39,250	-6	748
Interior	-	30,010	-	32,159	-	2,149
Labor, HHS & Education	-	153,188	-	162,127	-	8,939
Legislative	-	4,309	-	4,363	-	54
MilCon & VA	8,043	69,490	8,171	71,698	128	2,208
State/Foreign	-	39,010	-	37,780	-	-1,230
Transportation & HUD	186	55,460	210	57,091	24	1,631
Total	523,091	493,491	548,091	518,491	25,000	25,000

The distribution of the increased spending allowed under the BBA was not uniform. In non-defense spending, the largest relative gains were for Financial Services (13 percent); Energy (12 percent); and Commerce, Justice & Science (10 percent). By contrast, Legislative Branch received a more modest 1.3 percent increase, while State & Foreign Operations decreased by 3 percent. The increase in defense discretionary spending was mitigated by a reduction in overseas contingency operations (OCO) funds from pre-BBA levels.

2016 Omnibus Riders

Although the 2016 omnibus bill mainly contains appropriations, debate and deliberation focused almost exclusively on possible legislative additions. Many of these, including riders related to Planned Parenthood and Syrian refugees, were left out. The following significant items became part of the final legislation:

- Financial Services, section 203, requires the Office of Management and Budget to provide a cost/benefit analysis of financially significant executive orders and memoranda.
- Financial Services, section 633, extends the Internet Tax Freedom Act (which bars federal, state, and local taxes on Internet access services and commerce) by a year, to October 1, 2016.
- Labor, Health, and Human Services, sections 111-113, alter the H-2B visa program. The Congressional Budget Office estimates that this will result in a net increase of 8,000 H-2B visas per year.
- Division M contains the Intelligence Authorization Act, which includes a prohibition on funds that would be used to transfer detainees from Guantanamo Bay.
- Division N contains the Cybersecurity Act, dealing with the sharing of intelligence gathered online and the prosecution of individuals for certain offenses.
- Division O, title 1, repeals the federal prohibition on oil exports. The first shipment of domestically produced oil left Corpus Christi on December 31st.
- Division O, title 2, section 203, places restrictions in the visa waiver program for those who travel to Iraq or Syria.
- Division O, titles 3 and 4, reauthorize the James Zadroga 9/11 health and compensation funds. The provisions for Medicare and Medicaid in title 5 are meant to pay for spending in titles 3 and 4.
- Division P, titles 1 and 2, delay provisions from the Affordable Care Act. Title 1 delays for two years the tax on high-cost employer-sponsored health plans, aka the “Cadillac tax”. Title 2 relates to fees on health insurance providers.
- Division P, title 3, extends several green energy incentive programs.
- Division Q alters a number of tax provisions by extending or making them permanent. Newly permanent items include the child tax credit, the earned income tax credit, deductions for state and local taxes and charitable giving, business deductions for research and development, small business expensing of certain capital purchases, and deferring business taxes on income earned overseas to prevent double taxation.