

Economic Analysis

Congress Narrowly Averts another Shutdown

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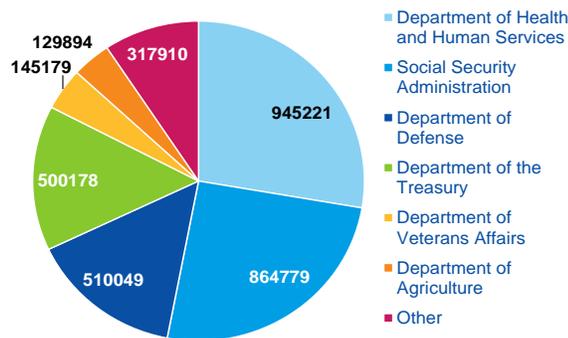
- **Lawmakers passed a continuing resolution keeping the government open until Dec. 11**
- **The resignation of Speaker Boehner accelerated the passing of the funding bill**
- **A shutdown is still in the cards for December as Planned Parenthood funding is debated**

A short-term bill funding the government until December 11 has passed through Congress today, narrowly averting a government shutdown—for now. Earlier today, this continuing resolution (CR), omitting a provision to defund Planned Parenthood, received bipartisan support from the Senate with a 78-20 vote. Then, with a sweeping 277-151 vote, the House sent the bill to Obama for his signature before the October 1 deadline.

The funding compromise has received backlash from members of the Republican Party; Sen. Ted Cruz (R-TX), one of the CR’s most vocal opponents, criticized party leadership for going forward without requiring the defunding of Planned Parenthood. However, the contention that had pointed towards a shutdown earlier this month has all but evaporated following the resignation of Speaker John Boehner (R-OH). Boehner, free from pressure from conservatives to deny federal funding for Planned Parenthood, has pushed for the passing of the CR before he leaves his position at the end of the October. Elections to determine the next Speaker have been set for October 8, and House Majority Leader Kevin McCarthy is currently the frontrunner to succeed Boehner. McCarthy was loyal to Boehner during his term but also seems more willing to build consensus within his party.

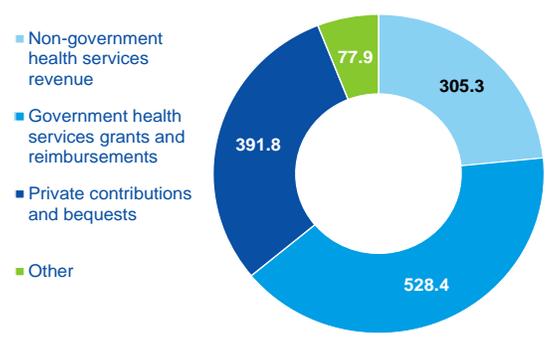
President Obama is expected to meet with Congressional leaders before the December 11 deadline to negotiate budget levels for the 2016 and 2017 fiscal years. However, a new shutdown threat could very well be present in December if Republicans once again attempt to attach the controversial provision defunding Planned Parenthood. Given inter- and intra-party disagreement, it is possible that the passing of a budget could get delayed indefinitely if Congress can only agree on staying open via a series of CRs. In addition, the legislative stakes are likely to be high through the rest of the year as Congress is expected to vote on raising the federal debt ceiling, renewing several highway programs, and reauthorizing the Export-Import Bank.

Chart 1
Government Budget Outlays, Fiscal YTD*
\$, millions



Source: Department of the Treasury *as of August 2015

Chart 2
Planned Parenthood: 2014 Revenues*
\$, millions



Source: Planned Parenthood *for year ended June 30, 2014

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