

The federal government shutdown ended Wednesday night and the United States did not default on its debt obligations, which could have occurred Thursday. The Senate Democratic and Republican Leaders Harry Reid (D-NV) and Mitch McConnell (R-KY) formally agreed on a plan that contained the following elements:

- Immediately reopens the federal government, funding it through January 15, 2014;
- Raises the debt limit through February 7, 2014, but allows various accounting measures to extend borrowing authority for some weeks thereafter;
- Establishes a House-Senate Budget Conference Committee to issue long-term budget recommendations by December 13, 2013;
- Adds measures to the Affordable Care Act to ensure that those receiving health insurance subsidies are eligible for them; and
- Provides back pay to furloughed federal workers.

(The measure also aids flood-damaged Colorado, provides extra cash for fighting wildfires out West, and grants the District of Columbia government, which relies on Congress to approve its budget, authority to manage its own affairs through the full 2014 fiscal year.)

At approximately 8 pm last night, the plan was agreed to by the Senate by a vote of 81-18 (52 Democrats, 27 Republicans, and 2 Independents who caucus with the Democrats voted with the majority and 18 Republicans with the minority). Those in the minority including Senator Ted Cruz (R-TX) chose not try attempt to halt the vote by filibuster or other parliamentary tactic. Action then moved to the House floor where at 10:15 pm the legislation was agreed to by a vote of 285 (87 Republicans and 198 Democrats) to 144 (all Republicans). Shortly after midnight, President Obama signed the legislation into law and the federal government reopened.

The Budget Conference Committee will be led by Senate Budget Chair Patty Murray (D-WA) and House Budget Committee Chair Paul Ryan (R-WI). The Co-Chairs met for breakfast this morning to talk about the process that could lead to large policy breakthroughs by mid-December. At this point, it is unclear how much optimism there is on Capitol Hill for major budget breakthroughs. The Committee has to grapple with some of the most difficult policy issues around including entitlement reform and increased revenue and there are exceptionally large divisions between the two parties. Past efforts to reach consensus have failed in recent years but possibly the potential for another government shutdown in mid-January and default by late February or early March brings increased urgency to this task and a greater likelihood for compromise. One other fiscal issue, further reductions to appropriations for defense and domestic programs caused by the "Sequester" which will occur in January, unless the law is modified, could provide negotiators with an additional need to compromise.

Obviously there is not a great deal of comity on Capitol Hill today - emotions are still running high and the partisan clamor of the last few weeks continues mostly unabated. In the current environment, it is unclear the extent to which any significant legislation will move forward with our deeply divided government. Nonetheless, we will continue to focus on our post-partisan legislative agenda, which we believe provides vehicles for Republicans and Democrats to come together for the benefit of our community and our country.

As we continue to advocate for your public policy priorities, please send us current examples on how local Jewish agencies were specifically impacted by the 16 day government shutdown (because this still could be relevant as we approach January 15, 2014) and any cuts already necessitated by the sequester.

If you have any questions about this material, please contact Shelley Rood

Here is a political analysis from Politico:

<http://www.politico.com/story/2013/10/what-have-we-learned-98481.html>