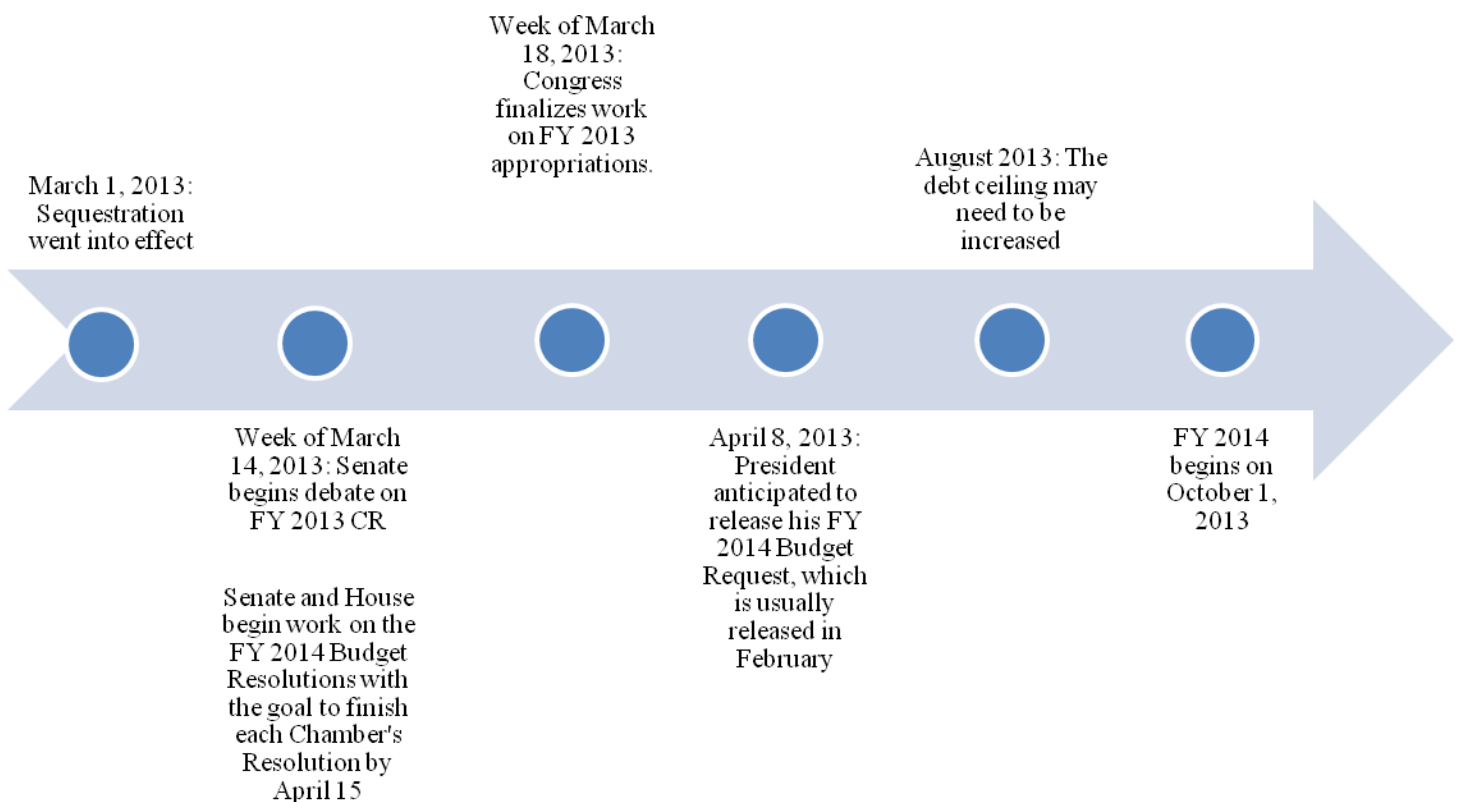


**The National Association of State Alcohol and Drug Abuse Directors
Public Policy Update
March 20, 2013**

FY 2013 Continuing Resolution, Sequestration, and FY 2014 Budget Resolution: Breaking it down



FY13 Continuing Resolution funds the government March 28th - September 30th, 2013)

The current stopgap measure funding the federal government expires on March 27th. In order to avert a government shutdown, Congress must reach a compromise on a continuing resolution (CR) to fund the government. A CR has been approved by the House and Senate, and needs to go back to the House for a final vote.

- **House Action:** On Wednesday, March 6th, the House passed a continuing resolution (H.R. 933) in a 267-151 vote. The measure includes:

1. Appropriations Bills for Defense, Military Construction, and Veterans' Affairs that provide those programs with greater flexibility to move appropriated funds around,
 2. The bill includes special exemptions or "anomalies" for federal prisons, as well as funding to retain current staffing levels for border protection and the Federal Bureau of Investigation (FBI)
 3. An extension of FY12 spending levels for all other government funds by continuing the current stopgap measure that is set to end on March 27th
 4. Applies sequestration
- **Senate Action:** On Tuesday, March 12th, the Senate introduced a continuing resolution. The legislation was approved today by a 73-26 vote. Changes from the House-passed bill, H.R. 933, include:
 1. Appropriations bills for Agriculture, Commerce-Justice-Science, and Homeland Security. The Appropriations bills for Commerce-Justice-Science included increased funding for some programs important to NASADAD members, including:
 1. Drug Courts: \$41 million compared to \$35 million in FY12 (+\$6 million)
 2. Residential Substance Abuse Treatment (RSAT): \$12.5 million compared to \$10 million in FY12 (+\$2.5 million)
 3. Second Chance Act programs: \$68.75 million compared to \$63 million in FY12 (+\$5.75 million)
 4. Veterans' Treatment Courts: \$4 million compared to \$0 in FY12 (+\$4 million)
 5. Community Oriented Policy Services (COPS): \$222.5 million compared to \$198.5 million (+\$24 million)
 6. **Sequestration is applied to the appropriations bills. The impact of sequestration is not included in the funding levels above. Guidance from Department of Justice is anticipated.**

NASADAD signed onto a letter supporting funding for State DOJ programs, which is attached.

2. NASADAD strongly supported an amendment offered by Senator. Harkin (D-IA) that would provide for funding increases for certain Labor, Health and Human Services, and Education programs, including an \$18 million increase for the Substance Abuse Prevention and Treatment (SAPT) Block Grant. The amendment failed to pass a procedural requirement of 60 votes to overcome minority opposition in a 54-45 vote.

NASADAD sent a letter of support to the Chairwoman and Ranking Member of the Senate Appropriations Committee, which is attached.

- **Next Steps:** Given the changes the Senate made to the CR, the legislation will have to go back to the House for a final vote. It is anticipated to pass tomorrow and be signed by the President.
- **Impact on SAMHSA funding:** Sequestration will be applied to SAMHSA's FY 2012 levels (Note- *FY 2012 was the funding level for the first 6-months of FY13*). On March 4,

SAMHSA sent letters to all grantees, including a letter to SSAs regarding the impact to the SAPT Block Grant. According to the letters sent the SAPT Block Grant will be reduced by 5 percent overall. However, for States that have received partial awards, their remaining payment will be reduced by 7 percent. NASADAD will monitor if there are other changes to the SAPT Block Grant and other priority programs as a result of sequestration. Agencies have until 30 days after enactment of the CR to send House and Senate Appropriations Committees their operating plan.

According to a survey NASADAD conducted of the membership, a reduction will impact States differently and will likely result in:

- A reduction in capacity at all levels of services: outpatient care, detox, crisis stabilization, prevention, early intervention activities, and services to women, children, and veterans
- Fewer people may be able to access services for prescription drug abuse; a reduction could result in an increase in drug-related deaths
- Underage drinking is at a *historic low* according to National Institute on Drug Abuse's (NIDA) Monitoring the Future survey. Reduced spending may contribute to reversing these gains by reducing or eliminating funding to critical youth programs and community coalitions. It may also impact States' ability to address prescription drug abuse/misuse and marijuana use among youth
- Important data collection and evaluation components would be eliminated making it more difficult to track drug trends, formulate strategies and evaluate programs

For the House FY13 CR, visit [H.R. 933](#)

For the Senate FY13 CR, visit the [Senate Appropriations Committee website](#)

Update on the FY14 Budget Resolutions:

FY14 Budget Resolutions Overview (October 1st, 2013- September 30th, 2014): FY14 budget resolutions have been introduced in the House and Senate that offer competing plans to address spending and revenue increases. The budget resolution serves as a blueprint that establishes aggregate levels of spending, revenue, and public debt, and acts as a framework for the appropriations process. As a part of the deal reached on February 4th to temporarily suspend the debt limit (H.R. 325, the [“No Budget, No Pay Act of 2013”](#)), each chamber is required to pass a budget resolution by April 15th to avoid having its members' pay withheld.

- **House Action:** On Tuesday, March 12th, House Budget Committee Chairman Paul Ryan (R-WI 1st) released his FY14 budget resolution which aims to eliminate the budget deficit in 10 years. His proposal includes the following components:
 - Cuts \$4.6 trillion from projected spending over the next decade
 - Repeals the Affordable Care Act (ACA)
 - Transfers nearly all of the across-the-board sequester cuts from defense to non-defense programs
 - Coverts Medicaid into a block grant to the States
 - Shifts Medicare into a premium-support system
 - Reforms the tax code by shifting the 7 tax brackets into 2, a 10 percent and 25 percent rate, and lowering the corporate tax rate to 25 percent

- **Senate Action:** On Wednesday, March 13th, Senate Budget Committee Chairwoman Patty Murray (D-WA) released her FY14 budget resolution which proposes deficit reduction of \$1.85 billion over ten years through a balanced approach of spending cuts and revenue increases. Her proposal:
 - Replaces sequestration with a mix of spending reductions and revenue increases from eliminating certain tax deductions. The spending reductions include \$142 billion from non-defense discretionary over 10 years. The \$1.2 trillion required to replace the sequester is included in the projected \$1.85 trillion in deficit reduction
 - Reduces discretionary spending beginning in FY15 by lowering spending caps below pre-sequester level, but above the caps set in the Budget Control Act (BCA), which is the legislation that authorized sequestration.

- **President's FY 2014 Budget Request:** The President's annual budget is required by statute to be released no later than the first Monday in February (February 4th, 2013), but it has been delayed due to the ongoing negotiations over the FY13 CR, the debt ceiling, and sequestration. The President's Budget Request is expected to be released on Monday, April 8th.

Next Steps: The House and Senate Budget Committees advanced their budget resolutions in party-line votes, on Wednesday (March 13th) and Thursday (March 14th) respectively. The Senate budget resolution is expected to receive floor consideration this week after the FY13 CR is completed. The House is also working on its FY14 budget resolution this week, with both chambers aiming to complete action before an April recess. After each respective chamber approves its budget resolution there may be an effort to conference the bills and reach an agreement for a budget framework. However, given the stark differences in the resolutions, reaching a compromise will be a challenge. Looming over the budget discussion is the possibility of a vote to raise the debt ceiling later this year.

After the President releases his Budget Request in April, the Appropriations Committees will begin their process of reviewing the President's Request and developing Appropriations Bills for FY 2014, which starts on October 1. If the debt ceiling needs to be raised later this year, it will likely complicate the Appropriations process again.

For the House FY14 budget resolution, visit the [House Budget Committee website](#)
 For the Senate FY14 budget resolution, visit the [Senate Budget Committee website](#)

Should you have any questions or concerns, do not hesitate to contact Michelle Dirst, Director of Public Policy, at mdirst@nasadad.org or Andrew Whitacre, Public Policy Associate, at awhitacre@nasadad.org