

# BUDGET RECONCILIATION: SETTING THE RECORD STRAIGHT

## What Is Budget Reconciliation?

- ✓ Budget reconciliation was first introduced in the Congressional Budget Act of 1974.
- ✓ Budget reconciliation is an optional procedure that can be included in the annual Congressional budget resolution process.
- ✓ Inclusion in the budget does not mean reconciliation will definitely be used; it merely leaves the option on the table.
- ✓ The main purpose of budget reconciliation is to provide Congress the ability to change current law in order to align revenue and spending levels with the policies of the budget resolution.
- ✓ Although reconciliation is an optional procedure, it has been used most years since its first use in 1980 (19 reconciliation bills have been enacted into law and three have been vetoed). [Congressional Research Service, 3/20/09]

## When Has Congress Used Budget Reconciliation?

The budget reconciliation process has been used most years since it was first used in 1980, including in recent years when Republicans controlled Congress and considered the following legislation:

- ✓ **2005** – Legislation That Reduced Spending on Medicaid and Raised Premiums on Upper-Income Medicare Beneficiaries
- ✓ **2003** – President Bush’s 2003 Tax Cuts
- ✓ **2001** – President Bush’s Signature \$1.35 Trillion Tax Cut
- ✓ **2000** – \$292 Billion “Marriage Penalty” Tax Cut (VETOED)
- ✓ **1997** – Balanced Budget Act
- ✓ **1996** – Legislation to Enact Welfare Reform
- ✓ **1995** – “Contract With America” Agenda

## Who Supports the Budget Reconciliation Process?



“The House Budget Committee yesterday combined the major elements of the Republicans’ legislative revolution into a massive, far-reaching bill intended to balance the budget over seven years, cut taxes for American families and dramatically change the face of the federal government... **‘What we’re seeing is great unanimity on the big picture, which is the need to pass a reconciliation bill,’** said Rep. John A. Boehner (R-Ohio), chairman of the House Republican Conference.” [Washington Post, 10/13/95]

“The ANWR language has been a source of controversy all year, and along with Medicaid savings, was one of two principal reason for attempting to pass a reconciliation bill this year, according to Senate Budget Chairman Judd Gregg, R-N.H. Either provision on its own could not have survived a Democratic filibuster without the protection of budget reconciliation, Gregg said.” [CQ Today, 12/19/05]



“The result is an energy bill much like the one lawmakers sought to finish in the final weeks of the 107th Congress that is composed largely of energy-related tax credits... **But if a broader energy measure lags, [Senate Finance Committee Chairman Charles E. Grassley, R-Iowa] said, the tax package could be accelerated by also attaching it to reconciliation. ‘If we weren’t going to move an energy bill, then I would want to do that,’** he said.” [CQ Weekly, 1/17/03]