

# Budget Strategy to Pass a COVID Bill in the Senate: Reconciliation 101



January 22, 2021

# Deborah Weinstein, Moderator

**Deborah Weinstein** has been Executive Director of the Coalition on Human Needs since 2003. At CHN and previously at the Children's Defense Fund and the Massachusetts Human Services Coalition, Debbie has helped advocates to combat poverty and hardship for about 40 years.



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# American Rescue Plan

- More funding for a national **vaccine** program with nationwide community vaccination centers
- Hiring 100,000 additional public health workers for vaccine outreach, contact tracing, and other work to improve care in underserved communities
- An education campaign to persuade people the vaccines are safe and effective
- More money for COVID-19 testing, treatment, and protective supplies
- **Increased access to health coverage** through subsidies for COBRA for the unemployed and increased Premium Tax Credits to help people afford insurance, as well as expanded mental health and substance use disorder services
- **\$1,400 stimulus checks** added to the current \$600 payments
- Enhanced **unemployment insurance benefits** (\$400 per week, plus continuation of other pandemic unemployment programs)
- **Increased food assistance** in all states and territories for the duration of our current crisis, with automatic triggers for increases during future health or economic crises
- Critical **aid to renters**, people threatened with or experiencing homelessness, and households unable to pay heat or water bills
- An extension of **the eviction and foreclosure moratoria**
- Money for **small businesses targeted to those hardest hit**, including those owned by people of color
- **\$350 billion for state, local and territorial governments** that have seen finances plummet during the pandemic recession, crippling services and causing layoffs
- Funds for **public transit** agencies
- **\$170 billion for schools**, including roughly \$130 billion dedicated toward safe reopening and/or effective remote learning for K-12, and funds to help colleges deal with the shift to distance learning and other pandemic-tied problems
- Dramatic increases to the **Child Tax Credit** to \$3,000 per child, or \$3,600 for a child under 6 years old. (These credits are fully refundable, which means even the poorest families in our country can receive the full benefit. This measure also increases the **Earned Income Tax Credit** for the poorest workers without dependent children.)
- **An increase in the federal minimum wage to \$15/hour**
- \$20 billion to support **Tribal governments'** pandemic response, including health care and increased access to clean water, electricity and broadband
- **14 weeks Paid Sick and Family and Medical Leave**

# Joel Friedman

**Joel Friedman** is Vice President for Federal Fiscal Policy at the Center on Budget and Policy Priorities (CBPP), where he specializes in U.S. federal budget and tax issues, and a Senior Fellow at the International Budget Partnership (IBP), where he focuses on budget transparency and accountability in countries around the world.



# Tamara Fucile

**Tamara Fucile** is Senior Advisor for Government Affairs at the Center on Budget and Policy Priorities (CBPP). In this capacity, she helps direct the Center's work with federal policymakers and with other national organizations on a broad range of policy issues, including federal budget and appropriations, nutrition programs, and housing issues.





# Reconciliation 101

Joel Friedman and Tamara Fucile

Center on Budget and Policy Priorities

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# Reconciliation

- Affects spending, revenues, debt limit
- Offers procedural advantages in Senate
  - Cannot be filibustered; majority vote to pass
- Follows unique rules; harder to amend
  - Germaneness requirements, Byrd Rule
- Has been used for major legislation
  - Designed to reduce the deficit, but not always used that way (e.g., Bush and Trump tax cuts)





# What Reconciliation Can't Do

- Make changes to Social Security
- Make changes that don't score
  - Includes create or change budget process rules
- Increase deficits in the long term (after the years covered by the reconciliation directive)



# Generic Reconciliation Process

- Budget resolution conference agreement
- Reconciliation “directives”
  - Committees; dollar target; reporting date
- Committees report bills\*
- Budget Committee compiles bills
- Floor consideration and amendments
  - Senate: 20 hours of debate; vote-a-rama
- Conference agreement\*

\* Not always done



# Possible 2021 Reconciliation Process

- Opportunity to pass two budget resolutions
  - FY 2021 and FY 2022
  - Each with their own reconciliation instructions
- First reconciliation package could be used for American Rescue Plan
- Second reconciliation package could be used for broader recovery bill



# Byrd Rule

- Prohibits provisions that are “extraneous”
- Provisions must change revenue or spending
  - Change cannot be “merely incidental”
  - Exception allowed if provision is needed as a “term and condition” of other provisions
- Points of order to strike extraneous provisions
  - Requires member to raise the point of order
  - Three-fifths vote to waive



# Possible Reconciliation Issues

- Funding “discretionary” programs
  - Traditionally not part of reconciliation, but not precluded under Byrd or other rules
- Can’t include emergency designation
  - Statutory PAYGO will need to be addressed
- Questions about whether policies imposing mandates (e.g., min wage) are permissible
- Can be a lengthy process

1: [www.chn.org](http://www.chn.org)



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