

THE BUDGET RESOLUTION AND RECONCILIATION: AN ALTERNATIVE PATH FOR THE AMERICAN RESCUE PLAN

February 1, 2021

The coronavirus pandemic and economic fallout are destroying lives and livelihoods across the country. The United States continues to set record high infection and death rates, and our economy has endured lows unseen since the Great Depression. Millions of Americans remain out of work as families are pushed to the brink of devastation. Food insecurity is climbing, widespread school closures threaten to derail our children's education, and our most vulnerable communities are being forced to bear the brunt of these twin crises as underlying health and economic inequities get worse.

Congress' bipartisan action in December was a step in the right direction, but it was only a long-delayed down payment. The American people cannot afford any more delays. Republican stalling already caused a painful lapse in critical unemployment assistance last year, and with additional unemployment assistance set to expire in March, Congress must create a failsafe to prevent more needless suffering. While Democrats work toward a bipartisan agreement, it would be irresponsible to not lay the groundwork for other legislative tools. As negotiations continue, the 2021 budget resolution will provide another option: using reconciliation to achieve the goals outlined in President Biden's American Rescue Plan. This will ensure Congress can meet the needs of the American people and move our nation forward with or without Republican cooperation.

HIGHLIGHTS OF THE AMERICAN RESCUE PLAN

The President's American Rescue Plan takes a multiprong approach to tackling the public health and economic crises stemming from the COVID-19 pandemic.

- **Beat the virus and safely reopen schools** — The plan will mount a national vaccination program that includes setting up community vaccination sites nationwide. It will also take complementary measures to combat the virus, including scaling up testing and tracing, addressing shortages of personal protective equipment and other critical supplies, investing in high-quality treatments, and addressing health care disparities. The plan will also make the investments necessary to safely reopen schools.

Deliver immediate relief to working families bearing the brunt of the crisis

— The plan will provide direct assistance to households across America by \$1,400 per person, bringing the total (including the \$600 down payment enacted in December) to \$2,000. The plan will also provide direct housing and nutrition assistance to families struggling to get by, expand access to safe and reliable child care and affordable health care, extend and expand unemployment insurance so American workers can pay their bills, and give families with children as well as childless workers a boost through enhanced tax credits.

- **Support communities struggling with the economic fallout** — The plan will provide crucial support for the hardest-hit small businesses, especially those owned by entrepreneurs from racial and ethnic backgrounds that have experienced systemic discrimination. The plan also provides crucial resources to protect the jobs of first responders, frontline public health workers, teachers, transit workers, and other essential workers that all Americans depend on.

THE 2021 BUDGET RESOLUTION ENSURES QUICK ACTION ON THE AMERICAN RESCUE PLAN

Allows use of fast-track budget**reconciliation process**

— The 2021 budget resolution has a single purpose: it gives Congress the option of using a budget reconciliation measure to get crucial relief to the American people as quickly as possible. Reconciliation provides fast-track procedures that will allow the American Rescue Plan to pass with a simple majority in the Senate. It does not preclude reaching a bipartisan agreement on a relief package, but it does ensure that Congress can move forward and meet the country's needs with or without Republican cooperation. Without the reconciliation directives in this resolution, the bold action outlined by the President could languish indefinitely in the Senate, putting the health and well-being of millions of American families at risk.

RECONCILIATION INSTRUCTIONS TO HOUSE COMMITTEES	
Deficit increase (2021-2030), billions of dollars	
Committee	Amount
Agriculture	16
Education & Labor	357
Energy & Commerce	188
Financial Services	75
Foreign Affairs	10
Natural Resources	1
Oversight & Reform	351
Science, Space, & Technology	1
Small Business	50
Transportation & Infrastructure	96
Veterans' Affairs	17
Ways & Means	941
Subtotal	2,102
<i>Remove overlap</i>	<i>214</i>
Total	1,889

Empowers Congressional committees to shape the American Rescue Plan

— The resolution's budget reconciliation framework sets a budgetary target of up to \$1.9 trillion – the estimated cost of the American Rescue Plan – allocated across the 12 House committees that have jurisdiction over some portion of the plan. (See accompanying table for committee-specific targets.) The resolution instructs these

committees to report legislation consistent with these budgetary targets to the Budget Committee by February 16. The Budget Committee will combine the legislation – without substantive revision – and prepare it for floor consideration. In addition to these reconciliation instructions, the resolution includes other technical language necessary to carry out the terms of the resolution and reconciliation.

HOW THE 2021 BUDGET RESOLUTION DIFFERS FROM A TYPICAL FULL BUDGET RESOLUTION

The 2021 budget resolution is not a comprehensive fiscal blueprint for the next 10 years. It is designed solely to provide the option of using reconciliation to deliver critical relief and achieve the goals of the American Rescue Plan. As such, the total spending and revenue levels in the resolution simply reflect current-law projections adjusted for the estimated costs of the American Rescue Plan. Once the vital relief in the President’s plan becomes law, Congress will begin its work on a forward-looking, comprehensive budget resolution for 2022. That budget will provide urgently needed economic support and address longstanding deficits in our communities and underlying inequities in our society, which have been so starkly revealed and exacerbated by COVID-19. It will foster an inclusive recovery and make responsible investments to help us rebuild a stronger and fairer economy than what we had before.

This document has not been reviewed and approved by the Democratic Caucus of the Budget Committee and may not necessarily reflect the views of all members.