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Reconciliation Instructions in the FY2006 Budget Resolution

Mary Frances Bley, Knowledge Services Group; and Robert Keith, Government and Finance Division

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Abstract. The House and Senate reached final agreement on April 28, 2005, on a budget resolution for FY2006 (H.Con.Res. 95) which included reconciliation directives expected to lead to the consideration of three different reconciliation bills during the session: (1) an omnibus spending reduction measure, incorporating submissions from eight House and eight Senate committees; (2) a revenue reduction measure; and (3) a public debt limit increase measure. The omnibus spending bill is intended to reduce outlays by \$1.519 billion for FY2006 and \$34.658 billion for the five-year period covering FY2006 through FY2010; the revenue bill is intended to reduce revenues by \$11 billion for FY2006 and \$70 billion for the period FY2006-FY2010; and the third bill is intended to increase the public debt limit by \$781 billion.



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Reconciliation Instructions in the FY2006 Budget Resolution

Mary Frances Bley Information Research Specialist Knowledge Services Group

Robert Keith
Specialist in American National Government
Government and Finance Division

Summary

The House and Senate reached final agreement on April 28, 2005, on a budget resolution for FY2006 (H.Con.Res. 95) which included reconciliation directives expected to lead to the consideration of three different reconciliation bills during the session: (1) an omnibus spending reduction measure, incorporating submissions from eight House and eight Senate committees; (2) a revenue reduction measure; and (3) a public debt limit increase measure. The omnibus spending bill is intended to reduce outlays by \$1.519 billion for FY2006 and \$34.658 billion for the five-year period covering FY2006 through FY2010; the revenue bill is intended to reduce revenues by \$11 billion for FY2006 and \$70 billion for the period FY2006-FY2010; and the third bill is intended to increase the public debt limit by \$781 billion.

This report will be updated as developments warrant.

On April 28, 2005, the House and Senate reached final agreement on a budget resolution for FY2006 (H.Con.Res. 95). The budget resolution included reconciliation directives that are expected to lead to the consideration of three different reconciliation bills during the session: (1) an omnibus spending reduction measure, incorporating submissions from eight House and eight Senate committees; (2) a revenue reduction measure; and (3) a public debt limit increase measure.

As **Table 1** shows, the omnibus spending bill is intended to reduce outlays in mandatory programs by \$1.519 billion for FY2006 and \$34.658 billion for the five-year period covering FY2006 through FY2010. The revenue bill is intended to reduce revenues by \$11 billion for FY2006 and \$70 billion for the period FY2006-FY2010.

¹ See *Concurrent Resolution on the Budget for Fiscal Year 2006*, conference report to accompany H.Con.Res. 95, Apr. 28, 2005, H.Rept. 109-62.

Taken together, the two measures would result in an increase in the deficit of about \$35 billion over the FY2006-FY2010 period. In addition, a third reconciliation bill is intended to increase the public debt limit by \$781 billion.

Table 1. Three Reconciliation Bills Contemplated by the FY2006 Budget Resolution

| Reconciliation Bill | Amount (\$ billions) | |
|----------------------------|-------------------------|---------------|
| | FY2006 | FY2006-FY2010 |
| Omnibus Spending Reduction | -1.519 | -34.658 |
| Revenue Reduction | -11.000 | -70.000 |
| Public Debt Limit Increase | | +781 |

Source: Prepared by the Congressional Research Service.

Under the terms of the FY2006 budget resolution, the eight House and eight Senate committees instructed to reduce spending within their jurisdiction were to submit their recommendations to their respective Budget Committees by September 16. (Reconciliation procedures require that the Budget Committees incorporate the legislative submissions of instructed committees into an omnibus bill without any substantive revision.²) By informal agreement in the Senate, however, the deadline for committee submission was postponed to the week of October 17-21. The House also has adopted informally a delayed time frame.

The other two reconciliation bills, for revenue reductions and an increase in the public debt limit, are to be reported directly to the House and Senate by the House Ways and Means Committee and the Senate Finance Committee, respectively. (Unlike in the case of omnibus legislation, committees that receive a sole instruction report their recommendations directly to their chamber rather than submitting them to their respective Budget Committee.) Under the terms of the budget resolution, the two committees were to report the revenue bill by September 23 and the debt limit bill by September 30. By informal agreement in the two chambers, however, the two committees are expected to report the bills several weeks later in the session, after the omnibus spending legislation has been reported.

Additional detail on the reconciliation instructions, including an identification of saving amounts by committee, is provided in **Table 2**.

² For an explanation of reconciliation procedures, see CRS Report RL33030, *The Budget Reconciliation Process: House and Senate Procedures*, by Robert Keith and Bill Heniff Jr.

Table 2. Reconciliation Instructions in the Conference Agreement on the FY2006 Budget Resolution

| Committee | Amount (\$ billions) | | | |
|--|-------------------------|---------------|--|--|
| | FY2006 | FY2006-FY2010 | | |
| Spending (Mandatory Outlays) | | | | |
| House Agriculture | -0.173 | -3.000 | | |
| House Education and the Workforce ^a | -0.992 | -12.651 | | |
| House Energy and Commerce | -0.002 | -14.734 | | |
| House Financial Services | -0.030 | -0.470 | | |
| House Judiciary | -0.060 | -0.300 | | |
| House Resources | _ | -2.400 | | |
| House Transportation and Infrastructure | -0.012 | -0.103 | | |
| House Ways and Means b | -0.250 | -1.000 | | |
| Total for House Committees | -1.519 | -34.658 | | |
| Senate Agriculture, Nutrition, and Forestry | -0.173 | -3.000 | | |
| Senate Banking, Housing, and Urban Affairs | -0.030 | -0.470 | | |
| Senate Commerce, Science, and Transportation | -0.010 | -4.810 | | |
| Senate Energy and Natural Resources | _ | -2.400 | | |
| Senate Environment and Public Works | -0.004 | -0.027 | | |
| Senate Finance | _ | -10.000 | | |
| Senate Health, Education, Labor, and Pensions ^a | -1.242 | -13.651 | | |
| Senate Judiciary | -0.060 | -0.300 | | |
| Total for Senate Committees | -1.519 | -34.658 | | |
| Revenues | | | | |
| House Ways and Means Committee | -11.000 | -70.000 | | |
| Senate Finance Committee | -11.000 | -70.000 | | |
| Statutory Debt Limit | | | | |
| House Ways and Means Committee | | +781.000 | | |
| Senate Finance Committee | | +781.000 | | |

Source: Concurrent Resolution on the Budget for Fiscal Year 2006 (conference report to accompany H.Con.Res. 95), H.Rept. 109-62, Apr. 28, 2005, pp. 11-14 and 68-71.

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^aThe reconciliation instructions to the House Education and the Workforce Committee and the Senate Health, Education, Labor, and Pensions Committee for FY2006 and FY2006-FY2020 also encompass FY2005.

^bThe reconciliation instructions to the Ways and Means Committee are "to reduce the deficit," which may include reductions in outlays, increases in revenues, or a combination of the two.