



# Special Report

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## Reconciliation: A Republican-Endorsed Approach to Legislating

*“Reconciliation is a rule of the Senate set up under the Budget Act. It has been used before for purposes exactly like this on numerous occasions. The fact is, all this rule of the Senate does is allow a majority of the Senate to take a position and pass a piece of legislation, support that position. **Is there something wrong with majority rules? I don’t think so.**”*

- Republican Senator Judd Gregg, 3/16/05

*“[T]he vast majority of bills developed through reconciliation were passed by Republican Congresses and signed into law by Republican Presidents – including President Bush’s massive, budget-busting tax breaks for multi-millionaires. Given this history, one might conclude that Republicans believe a majority vote is sufficient to increase the deficit and benefit the super-rich, but not to reduce the deficit and benefit the middle class. Alternatively, **perhaps Republicans believe a majority vote is appropriate only when Republicans are in the majority.** Either way, we disagree.”*

- Majority Leader Harry Reid, 3/11/10

Senate Democrats remain committed to ensuring that all Americans have access to quality, affordable health care, and to making the reforms needed to contain costs, eliminate insurance industry abuses, and improve quality. Unfortunately, Senate Republicans are unwilling to work towards these goals and are more interested in playing partisan politics and protecting the insurance industry.

After months of bipartisan negotiations, which resulted in legislation that included 147 distinct Republican amendments, Republicans in the Senate continue to use misleading rhetoric and make specious arguments. Their latest complaint is that there is something wrong with the use

of reconciliation, a regular part of the legislative process that Republicans have used repeatedly, and that would prevent them from continuing their unprecedented record of obstructionism.

Democrats are not discussing the use of reconciliation for comprehensive health care reform. Comprehensive reform legislation was approved by the Senate outside the reconciliation process, with 60 Senators voting for the *Patient Protection and Affordable Care Act*. Approval by the House of Representatives could send that bill to the President, who would sign it into law. The purpose of the reconciliation bill would be to make a modest number of budget-related changes to the new law.

There is nothing unusual or inappropriate about using reconciliation in this way. And it is disingenuous, at best, for Republicans to pretend otherwise. Since its inception, 16 of the 22 reconciliation bills sent to the President were passed by Republican Senate majorities, 14 of which were also signed into law by Republican presidents. Many of these bills made significant changes to health care policy. For example, the Children's Health Insurance Program and COBRA benefits for the unemployed were established in reconciliation, and many changes in Medicare and Medicaid have been made through the reconciliation process. Other major policies have been enacted through legislation, including the 2001 and 2003 Bush tax cuts, and the comprehensive welfare reform legislation in 1996.

Just five years ago, Republicans passed a reconciliation bill, the *Deficit Reduction Act of 2005*, which came to the Senate floor with titles from eight Senate committees and ultimately passed with 10 separate titles. During floor debate, the same Senate Republicans who now object to the process offered their full-throated support for reconciliation: Senator Kyl maintained that "we have to use the reconciliation bill this year;" Senator DeMint insisted that Congress must pass "this important budget reconciliation legislation this year;" and Senator Gregg echoed that "we need to go forward with reconciliation." [*Congressional Record*, [9/12/05](#), [10/25/05](#)]

Senate Republicans demonstrated the same level of enthusiasm for the other 15 reconciliation bills drafted under their leadership. Each and every time, they took to the floor to defend the process:

***Omnibus Reconciliation Act of 1981 (P.L. 97-35)***: President Reagan pushed much of his agenda through this reconciliation bill, which made policy changes to health program block grants, Medicaid, media licenses, food stamps, dairy price supports, energy assistance, education programs, and Social Security benefits. [CRS, [4/1/09](#)]

"The reconciliation process which produced this bill required the Congress to engage in a full and frank discussion, not only of how much should be spent, but of spending priorities." [Senator Gorton, *Congressional Record*, 7/31/81]

***Tax Equity and Fiscal Responsibility Act of 1982 (P.L. 97-248)***: President Reagan's second reconciliation measure brought major spending changes to Medicare, Medicaid and other social programs and major revenue changes to the alternative minimum tax, medical and casualty deductions, pension contribution deductions, and other revenue policies. [CRS, [4/1/09](#)]

"It has been a long road, but [in passing the reconciliation bill] we are simply carrying out the provisions of the budget resolution. I would say to my colleagues that the Senate Finance Committee did not stand around looking for something to do and dream up a tax bill. We are carrying out our budget agreement. We believe we

have carried out the budget mandate successfully and effectively. We have met the requirements of the budget resolution on the spending side and on the revenue side.” [Senator Dole, *Congressional Record*, 8/19/82]

***Omnibus Budget Reconciliation Act of 1982 (P.L. 97-253)***: This bill aimed to reduce spending over three years by changing payments to farmers, dairy price supports, Food Stamps, and several additional programs. [CRS, [4/1/09](#)]

“When you have that type of reconciliation instruction, developed in consultation with the distinguished chairman of the Finance Committee, you can go home feeling comfortable that he is going to do his job, that his committee is going to work with him and they will bring back something that is fair and equitable to the American people and that accomplishes the mandated deficit reductions.” [Senator Domenici, *Congressional Record*, 8/18/82]

***Omnibus Budget Reconciliation Act of 1983 (P.L. 98-270)***: Major provisions of this legislation limited and delayed federal civilian employee pay raises, delayed federal civilian military retirement and disability COLAs, and other compensation programs, delayed veterans’ compensation COLAs, and changed disaster loans to farmers. [CRS, [4/1/09](#)]

“I am hopeful, as the leader indicated in his remarks, that this is the first step we take over the next few weeks toward enacting further legislation to reduce the deficits. While I have concerns about particular provisions in H.R. 4169, I believe the Senate should quickly adopt this bill without amendments and send it to the President for his signature.” [Senator Domenici, *Congressional Record*, 4/15/84]

***Consolidated Omnibus Reconciliation Act of 1985 (P.L. 99-272)***: Major spending changes affected such areas as student loans, highway spending, federal health spending, and other programs, and major revenue changes affecting the cigarette tax, excise tax supporting the Black Lung Trust fund, and several other initiatives. [CRS, [4/1/09](#)]

“Mr. President, the reconciliation package before us represents a great deal of hard work and careful discussion. It also contains an extraordinary number of provisions which might be called extraneous by some, but which are extremely important.” [Senator Chafee, *Congressional Record*, 12/19/85]

***Omnibus Budget Reconciliation Act of 1986 (P.L. 99-509)***: This three-year reconciliation measure included spending changes to Medicare, Medicaid, agricultural income support payments and brought revenue changes to the tax treatment of the sale of federal share of Conrail and additional programs. [CRS, [4/1/09](#)]

“Mr. President, these provisions in the reconciliation bill are timely, practical, and workable.” [Senator Dole, *Congressional Record*, 10/17/86]

***Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193)***: This six-year reconciliation bill brought major spending changes to temporary assistance for needy families (TANF), work requirements, supplemental security income (SSI) and many other domestic programs. [CRS, [4/1/09](#)]

“Mr. President, on the Democrat (sic) side of the aisle, the charge has been made that we are abusing reconciliation in a way that has never been done before.

Reconciliation is a process that is designed to allow expedited consideration of the budget.” [Senator Domenici, *Congressional Record*, [7/23/96](#)]

**Balanced Budget Act of 1997 (P.L. 105-33):** This reconciliation bill included major spending changes to Medicare, Medicaid, created the Children’s Health Insurance Program (CHIP), and made changes to several other domestic programs. [CRS, [4/1/09](#)]

“I believe this is a historic beginning, and I am very pleased to be part of it. I thank everyone here for their role. I thank all eight committees that assumed their burden and produced their reconciliation package... First, I think each bill could take 4 or 5 weeks, I think the amendments could run into the hundreds, and the bill could look like something completely different by the time we finished than what we started with. So we take some bad with the good in this difficult process called the reconciliation bill.” [Senator Domenici, *Congressional Record*, [7/25/97](#)]

**Taxpayer Relief Act of 1997 (P.L. 105-34):** The second reconciliation measure enacted in 1997, this bill brought revenue changes to the child tax credit, education tax incentives, home office deductions, capital gains tax cut, and many additional programs. [CRS, [4/1/09](#)]

“With this unprecedented \$24 billion commitment of funds for children’s health insurance, I believe the Senate has made an investment in the health of the children of America that should alleviate the anxieties and fears of millions of parents about paying for the health care of their children. What is even more remarkable about the reconciliation bills we are considering this week is that at the end of the process, we will have set this Government on course to finally achieve a balanced budget... And that is why these reconciliations bills are vital to our Nation’s economic security.” [Senator Murkowski, *Congressional Record*, [7/26/97](#)]

**Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L. 107-16):** This 11-year reconciliation act, which helped to advance President Bush’s tax-cut agenda during his first year, included revenue changes affecting individual income tax rates, the “marriage penalty,” child tax credits, and many other initiatives. [CRS, [4/1/09](#)]

“Hiding behind the arguments over process about how many reconciliation instructions per budget resolution is really to get in the way of real tax relief for American families. Real people do not care about reconciliation. They think it is a domestic matter, if you ever bring up reconciliation. It means, at best, some sort of family squabble being resolved. They care about providing for their families. People in the real world care about their future.” [Senator Allen, *Congressional Record*, [4/5/01](#)]

**Jobs and Growth Tax Relief Reconciliation Act of 2003 (P.L. 108-27):** The second tax-cut reconciliation bill passed under President Bush accelerated certain previously-enacted tax reductions, increased bonus depreciation and section 179 spending, and made changes to taxes on dividends and capital gains, and other programs. [CRS, [4/1/09](#)]

“It would be an exercise in debating and then later on we would have as much time as we wanted on every bill. There would be filibusters on every bill and, as contemplated by the Framers, we would get no budget activity in the United States. Reconciliation includes minimum debate. Without minimum debate, nothing will be done of a budgetary nature for the United States.” [Senator Domenici, *Congressional Record*, [3/25/03](#)]

**Deficit Reduction Act of 2005 (P.L. 109-171):** A five-year reconciliation act, this bill included spending changes to Medicare, Medicaid, State Children’s Health Insurance Program (SCHIP), student loan interest rates and lenders’ yields, and many more programs. [CRS, [4/1/09](#)]

“But the fiscal situation facing the American people today demands a serious commitment from the Federal Government to reduce deficit spending. This reconciliation package is an important part of that process. I commend the chairman of the Budget Committee for his efforts on reconciliation.” [Senator Burns, *Congressional Record*, [11/3/05](#)]

**Tax Increase Prevention and Reconciliation Act of 2005 (P.L. 109-222):** The second reconciliation bill enacted in 2006 brought revenue changes to tax rates on dividends and capital gains, the alternative minimum tax for individuals, delay in payment date for corporate estimated taxes, and several other initiatives. [CRS, [4/1/09](#)]

“As we all know, reconciliation is one of the key procedures by which the Congress addresses spending, specifically spending in mandatory programs and tax policy... These policies under reconciliation will address 5 years, 10 years, 15 years down the road and address them in a positive way. They are small steps, but they are important steps, and that is why we need to go forward with reconciliation.” [Senator Gregg, *Congressional Record*, [9/12/05](#)]

Reconciliation was also used by Republicans on three additional bills that were vetoed and never signed into law. Nevertheless, during floor debate, Republican Senators defended the reconciliation process:

**Balanced Budget Act of 1995 (Vetoed):**

“Let us make no mistake, this reconciliation package is the only proposal on the table that will achieve the goals of the American people. Our national goals are to balance the budget and to let working families keep more of their own money. The Republican reconciliation package accomplishes both of these goals. Indeed, Mr. President, if you look at it a certain way, these two are, in fact, the same goal. If we do not take action now to balance the budget, the tax burden will only get worse and worse for American families in the future.” [Senator DeWine, *Congressional Record*, [10/17/95](#)]

**Taxpayer Refund and Relief Act of 1999 (Vetoed):**

“As the Chair of the Republican Task Force on Retirement Security, I find it gratifying to see that the chairman placed such a high priority for these needs among the competing objectives that Senators brought to crafting this tax bill. I hope that indeed “the time has come” for many of these provisions on which we have worked so hard in the past, and I hope that they will be supported throughout this reconciliation process.” [Senator Gregg, *Congressional Record*, [7/28/99](#)]

**Marriage Tax Relief Reconciliation Act of 2000 (Vetoed):**

“Today, we are proceeding under the Budget Act’s reconciliation procedure. And that means that no one is going to delay us from passing this bill. We will have an up or down vote. We will see who supports the marriage tax relief in our bill. And we will see who thinks that American families are not entitled to this relief.” [Senator Roth, *Congressional Record*, [7/14/00](#)]