Insight

Reconciliation 3.0: The House FY 2027 Budget Resolution

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Executive Summary

- House Budget Committee Chairman Jodey Arrington (R-TX) has released a fiscal year (FY) 2027 budget resolution intended to serve as the pathway for budget reconciliation legislation to enact some of President Trump's policy agenda.
- The budget would address the ongoing conflict in the Middle East and servicemember pay, farm aid, and state efforts to implement voter ID requirements in elections; it includes reconciliation instructions to four House committees to increase budget deficits by no more than a combined $95 billion over the FY 2027–2036 budget window.
- The budget does not instruct any committees to craft reconciliation measures to reduce budget deficits, nor does it prescribe what specific policy changes the committees should include in their measures.

The House Budget Resolution

House Budget Committee Chairman Jodey Arrington (R-TX) has released a fiscal year (FY) 2027 budget resolution that, if adopted, would unlock the pathway for budget reconciliation legislation to enact some of President Trump's policy agenda. The budget includes reconciliation instructions to four House committees to increase budget deficits by no more than a combined $95 billion over the FY 2027–2036 budget window. The committees are required to submit their reconciliation measures to the House Budget Committee by September 11, 2026.

It is important to note that the budget's reconciliation instructions do not prescribe how the committees must achieve the specified budgetary changes. While budget resolutions may assume or even suggest that a committee or committees include specific policy changes in their reconciliation measures, these suggestions are not binding or enforceable. The budget simply sets dollar targets; the committee or committees decide on the policy changes within their jurisdictions to meet their target.

In the aggregate, the instructions in the House budget would allow up to $95 billion of deficit increases over the FY 2027–2036 period. The largest instruction of $60 billion goes to the Armed Services Committee to provide additional funding for the ongoing conflict in the Middle East and servicemember pay. This amount is far below the $350 billion defense funding increase the president’s FY 2027 budget requested Congress enact through budget reconciliation.

Reconciliation Instructions in the House FY 2027 Budget Resolution

Committee	**Increase or Decrease Deficits?**	**Reconciliation Instruction**
Armed Services	Increase	Up to $60 billion
Intelligence	Increase	Up to $13 billion
Agriculture	Increase	Up to $12 billion
House Administration	Increase	Up to $10 billion
Total		**Up to $95 billion**

Source: House Budget Committee.

The Permanent Select Committee on Intelligence is instructed to increase deficits by no more than $13 billion. The Agriculture Committee can increase deficits by no more than $12 billion, which is in line with the $11.1 billion of additional funding for farm aid the administration asked for in its June supplemental funding request. Finally, the Committee on House Administration can draft measures that increase deficits by no more than $10 billion. Media reports suggest the committee’s reconciliation measures will likely include grants to states to help states implement voter ID requirements in elections, in line with the provisions in the SAVE America Act.

Conclusion

A key takeaway from the House FY 2027 budget resolution is that it provides a procedural framework for a targeted reconciliation package without prescribing specific policies. Instead, it sets spending targets and leaves the authorizing committees to determine how to meet them. Attention will now shift to the reconciliation legislation itself, which will determine the package's final scope and prospects in Congress.