



The Daily Dish

# Reconciliation Isn't a Four-Letter Word

GORDON GRAY, PATRICK HEFFLINGER | DECEMBER 8, 2016

Recently released data shows that there was an increase in health care spending in 2015. According to the Office of the Actuary for the Centers for Medicare and Medicaid Services total health care spending in 2015 was \$3.2 trillion, which is an increase of 5.8 percent from the previous year. Additionally, Medicaid spending increased 9.7 percent to \$545.1 billion and total Medicare spending increased to \$645.2 billion.

The infrastructure spending boost approved in 2015 and set to take effect at the beginning of fiscal year 2017 has been put on hold. On Tuesday the House revealed a new continuing resolution (CR) which would keep spending at fiscal year 2016 levels through April. President-elect Donald Trump has promised to make infrastructure a priority of his administration and is expected to submit a substantial infrastructure package within his first 100 days so it is possible that there could be a major transportation bill next year despite the hold placed on infrastructure spending in the CR.

## ***Eakinomics: Really Isn't a Four-Letter Word***

*Guest Authored by Gordon Gray, Director of Fiscal Policy*

The likely use of budget reconciliation to pursue health and tax reform, and the potential of taking two bites at this apple in the same year has hardly been embraced by congressional Democrats. Setting political rancor for its own sake aside, the reconciliation process needn't be inherently partisan. Policy choices can, and sometimes rightly should divide along party lines. But it should be the policy itself that spurs those divisions.

Budget reconciliation, in brief, is a tool that provides for expedited consideration of budget-related legislation. Since 1980, Congress has passed 24 reconciliation bills of which 20 have become law, with 4 vetoed. To be sure, some of these measures are in the pantheon of partisan or controversial laws, but those distinctions are not mutually exclusive. Included among those laws passed through reconciliation are the 2003 "Bush tax cuts" and the 2010 ACA reconciliation "fix it" bill. Both were deeply red or blue exercises. But also included was the Omnibus Budget Reconciliation Act of 1990, which famously broke George H.W. Bush's "no new taxes," pledge. That passed through reconciliation, with less than 60 votes, and in the face of equal-opportunity opposition. Sometimes reconciliation gives vulnerable members cover to avoid tough votes.

Reconciliation is a powerful budget tool that makes doing politically unpopular budget choices – such as spending cuts, tax hikes, or debt limit hikes – easier, but it doesn't imbue the process with inherent partisanship. Presidents Reagan, H.W. Bush, Clinton, and W. Bush all signed reconciliation measures into law that garnered greater than 60 votes in the Senate.

Bipartisan, supermajority engagement can supersede the constraints of reconciliation – such as the Byrd rule and limited debate – through 60 vote waivers and unanimous consent agreements. If the minority wants to meaningfully engage in the legislative process, even with reconciliation legislation, that avenue is open and available.

The lesson should be that while there are legitimate policy disagreements between the parties, a parliamentary tool should not necessarily be viewed as a partisan endeavor. Even if a future tax reform or health reform effort is pursued through reconciliation, the minority should not oppose that effort simply because it bears the reconciliation stamp.