



AUGUST 2021

THE 2022 BUDGET RESOLUTION AND RECONCILIATION: HOW WE WILL BUILD BACK BETTER

House Committee on the
BUDGET 

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.



The 2022 budget resolution is an inflection point for our nation and the futures of millions of Americans and their families. The resolution and its reconciliation instructions provide Congress with a path forward to deliver President Biden’s and Congressional Democrats’ shared plan to Build Back Better. This budget serves as a clear declaration of Democrats’ commitment to ensuring that our government, our economy, and our systems work For The People.

The budget reconciliation process first requires Congress to pass a budget resolution that includes instructions to committees of jurisdiction. The 2022 budget resolution provides reconciliation instructions to 13 House and 12 Senate committees to support visionary and transformative investments in the health, well-being, and financial security of America’s workers and families. These long-overdue investments in America’s future will be felt in every corner of the country and across every sector of American life. This budget will build on the success of the American Rescue Plan, accommodate historic infrastructure investments in the legislative pipeline, and address longstanding deficits in our communities by ending an era of chronic underinvestment so we can emerge from our current crises a stronger, more equitable nation.

WE FACE NUMEROUS, INTERCONNECTED CRISES AND CHALLENGES

Over the past year and a half, America has faced a series of crises. The coronavirus pandemic infected tens of millions of Americans and took the lives of more than half a million loved ones, devastating families and communities. The corresponding economic crisis led to a record loss of more than 22 million jobs, skyrocketing unemployment insurance claims, and a historic decline in growth. The climate crisis is displacing families, upending local economies, and endangering our national security as climate disasters worsen. And our nation is reckoning with our racial justice crisis, as the effects of systemic racism and underlying inequities are being exposed and brought to the forefront of our nation’s conscience. These crises have taken a grave toll on our communities and exacerbated structural flaws in our economy and society that must be fixed.



In response to the pandemic and the immediate health and economic concerns, Congress passed the American Rescue Plan in March 2021. This bill provided the bold, compassionate, and aggressive action and supports needed to change the course of our country. It delivered lifeline resources to get vaccines into arms, safely reopen schools, help Americans return to work and provide shelter and food for their families, and keep vital public services up and running in communities across the country.

But the American Rescue Plan was a targeted response to the immediate and urgent public health and economic crises; it was not a long-term solution to many of the pressing challenges facing our nation. Decades of disinvestment in our nation and its people have resulted in serious deficits in our society, spanning across nearly every sector. We can no longer afford the costs of neglect and inaction – the time to act is now.

BUDGETING FOR A BETTER, STRONGER FUTURE

The Build Back Better Plan makes the transformative investments that we need to continue growing our economy, lower costs for working families, and position the United States as a global leader in innovation and the jobs of the future. This \$3.5 trillion gross investment will build on the successes of the American Rescue Plan and set our nation on a path of fiscal responsibility and broadly shared prosperity for generations to come. These pro-growth investments will lower costs for families, create good-paying jobs, and cut taxes for hard-working Americans. The Build Back Better Plan will provide resources to improve our education, health, and child care systems, invest in clean energy and sustainability, address the housing crisis, and more; all while setting America up to compete and win in the decades ahead. This Plan will be paid for by ensuring that the wealthy and big corporations are paying their fair share. Americans making less than \$400,000 a year will not see their taxes increase by a penny. These investments will expand opportunity for all and build an economy powered by shared prosperity and inclusive growth.

HIGHLIGHTS OF THE BUILD BACK BETTER PLAN

The Build Back Better Plan meets the immediate and long-term needs of the American people while addressing glaring gaps in our economy and society with investments in crucial priorities, including:



CHILD CARE

Our nation is strongest when everyone can join the workforce and contribute to the economy. However, many Americans – especially women – are often forced to choose between working to support their family or caring for their family. Therefore, this Plan supports families in need of child care by providing access to safe, reliable, and high-quality care delivered by a well-trained child care workforce. It also supports improvements in child care facilities.

EDUCATION

We know that children lead happier, healthier, and more productive lives when they have had access to high-quality education. That's why this Plan makes necessary investments to increase quality education by four years for all students at no cost to hard-working families. The Plan will provide two years of free pre-K and two years of free community college to ensure every student has the tools, resources, and opportunity to succeed in life. It will also invest in our teachers and institutions that serve minority students and provide funding to give school buildings long-overdue infrastructure updates.

HEALTH CARE

Too many Americans are forced to choose between medical care and putting food on the table or affording other necessities. The Plan expands access to quality, affordable health care by strengthening the Medicare, Medicaid, and Affordable Care Act (ACA) Marketplace programs that millions of Americans already rely on. It includes a major new expansion of Medicare benefits, adding a dental, hearing, and vision benefit to the program for the very first time. It strengthens the ACA by extending the enhanced Marketplace subsidies that were included in the American Rescue Plan. It also provides an affordable coverage option for the more than two million Americans living in states that have not expanded Medicaid under the ACA and do not earn enough to qualify for Marketplace subsidies. Finally, the Plan's investment in home- and community-based services will increase access to critical services and create new and better-paying jobs for care providers.



PAID LEAVE

It is unacceptable that the richest nation in the world lacks a paid leave program. This Plan will create a national, comprehensive paid family and medical leave program, providing direct support to workers and families. This will bring the American system in line with competitor nations that already offer paid leave programs. This crucial investment will allow workers to take the time they need to bond with a new child, care for their own serious illness, or care for a seriously ill loved one without risking needed income or employment.

TACKLING THE CLIMATE CRISIS

The latest comprehensive scientific report from the Intergovernmental Panel on Climate Change (IPCC) makes clear that immediate, rapid, and large-scale efforts are needed to keep the climate crisis from escalating to truly catastrophic levels. The Plan empowers comprehensive action to build an equitable clean energy economy with historic investments to transform and modernize the electricity sector, lower energy costs for Americans, improve air quality and public health, create good-paying jobs, and strengthen U.S. competitiveness – all while putting our country on the pathway to 100 percent carbon-free electricity by 2035. It achieves this by extending and expanding clean energy tax credits and supporting clean electricity performance payments so utilities can accelerate progress toward a clean electric grid at no added cost to consumers. It invests in clean energy, efficiency, electrification, and climate justice through grants, consumer rebates, and federal procurement of clean power and sustainable materials, and by incentivizing private sector development and investment. The Plan will also drive economic opportunities, environmental conservation, and climate resilience – especially in underserved and disadvantaged communities – including through a new Civilian Climate Corps.

AFFORDABLE HOUSING

Having a stable, secure, sanitary, and safe place to call home is the bedrock of success. This Plan ensures Americans have access to safe and affordable housing by providing resources to increase housing vouchers and funding for tribal housing. It also supports investments in programs that will help address our nation's housing crisis by increasing the supply of affordable homes for those in need and investing in historically underserved communities and those that have been previously left behind.



TAX CUTS FOR FAMILIES AND WORKERS

The expansion of the Child Tax Credit (CTC) enacted in the American Rescue Plan has already benefitted nearly 66 million children, put money in the pockets of millions of hard-working parents and guardians, and is expected to help cut child poverty by more than half. This Plan will not only extend this meaningful tax cut, it will also extend the expanded Earned Income Tax Credit (EITC) and the expanded Child and Dependent Care Tax Credit. These boosts to families will help them make ends meet and put food on the table, reduce child poverty, and lessen the burden on hard-working Americans so they can provide a better future for America's children.

RESEARCH, DEVELOPMENT, AND INNOVATION INFRASTRUCTURE

Strides in science, technology, and manufacturing are creating the industries and jobs of the future, and we must ensure that they are created here. The Plan will invest in America's ingenuity and competitiveness by revitalizing state-of-the-art laboratory facilities and research across the nation, including at historically black colleges and universities (HBCUs) and other minority-serving institutions (MSIs), through new regional innovation hubs, and through federal science agencies. It will reinvigorate U.S. manufacturing by supporting supply chain resilience and modernization, Manufacturing USA institutes, the Manufacturing Extension Partnership, and facilities and research at the National Institute of Standards and Technology. These investments will strengthen America's competitiveness in the global economy.

IMMIGRATION

Aside from being the moral thing to do, providing a pathway to lawful permanent resident (LPR) status for Dreamers, recipients of Temporary Protected Status (TPS), farmworkers, and essential workers will be a boon for our economy. This Plan allows for investments to provide a pathway to LPR status for these immigrant communities.



RESTORING TAX FAIRNESS AND REINING IN PRESCRIPTION DRUG COSTS

The Build Back Better Plan makes once-in-a-generation and transformative investments in our nation's future to create millions of good jobs and inclusive economic growth over the long run. Major new investments in our children and our families – as well as the continuation of the American Rescue Plan's historic reductions in child poverty – will improve Americans' quality of life now, increase future opportunities for all, strengthen our economic outlook, and ensure American competitiveness and prosperity for generations to come. To help pay for the investments, the Plan calls for reforming the tax code to ensure mega-corporations and the wealthiest Americans pay their fair share. These reforms will make sure the wealthy play by the same rules as everyone else and ensure that high-income Americans pay the tax they owe under the law. No one making \$400,000 per year or less will see their taxes go up. Instead, hard-working Americans and families will benefit from much-deserved tax cuts – such as the extension of the expanded Child Tax Credit and other tax credits for families and workers enacted in the American Rescue Plan Act. The Plan also achieves savings from following through on President Biden's call to give Medicare the power to negotiate lower prescription drug prices, saving money for patients as well as the federal government.

THE HOUSE WILL SPEARHEAD THE DRAFTING OF THE RECONCILIATION BILL

The 2022 budget resolution gives Congress the option of using a budget reconciliation measure to improve the lives of the American people and make the investments our nation desperately needs. The reconciliation process allows legislation for the Build Back Better Plan to pass with a simple majority in the Senate. Without the reconciliation directives in this resolution, the bold action outlined in the Plan could languish indefinitely in the Senate, putting our economy, the well-being of millions of Americans, and our nation's future at risk. The House will take the lead on moving the reconciliation bill forward because the Build Back Better Plan includes measures to ensure that the wealthy pay their fair share in taxes, and all bills addressing taxes must originate in the House.

The budget resolution's reconciliation framework reflects the net investment of the Plan as allocated among 13 House committees. The reconciliation instructions deliberately give the Ways and Means Committee, the chief tax writing committee in the House, the flexibility it needs to craft fair and comprehensive legislation. The resolution instructs these committees to report



legislation consistent with these budgetary targets to the Budget Committee by September 15, 2021. The Budget Committee will combine the legislation – without substantive revision – and prepare it for floor consideration. In addition to these reconciliation instructions, the resolution also provides for budget enforcement in 2022 and includes other technical language necessary to carry out the terms of the resolution and reconciliation.

Reconciliation Instructions to House Committees¹

2022-2031, in millions of dollars

Agriculture	89,100
Education and Labor	779,500
Energy and Commerce	486,500
Financial Services	339,000
Homeland Security	500
Judiciary	107,500
Natural Resources	25,600
Oversight and Reform	7,500
Science, Space, and Technology	45,510
Small Business	17,500
Transportation and Infrastructure	60,000
Veterans' Affairs	18,000
Ways and Means	-1,000

¹ The total of Committee instructions does not equal the total cost of the package because the instructions reflect offsets and overlapping jurisdictions.