

Reconciliation Bills Signed into Law

Bill	Net Effect on Deficit		Majority Party	Final Vote	Policy Changes	Background
1980 OBRA	-\$79.58 billion over 5 years	President	D		Reduced child nutrition subsidies; revised Medicare reimbursements; expanded home health care; changed capital gains and Social Security tax formulas.	First use of reconciliation process. While a few members of Congress categorized the process as a "backdoor" method of making substantial changes in federal agencies, most considered it proof that Congress was working to get control of federal spending. The conference process took two months, and more than 100 Congressmen were involved in it.
		Senate	D	83-4		
		House	D	334-43		
1981 OBRA	-\$130.6 billion over 3 years	President	R		Made significant cuts to discretionary programs, including welfare and food stamps.	Use of reconciliation for this bill was advanced by David Stockman, the Director of the Office of Management and Budget, who was a former House member. In the house, the crucial roll call vote occurred prior to final passage, which is why the vote on final passage was a voice vote. The bill that emerged from the House-Senate conference was less sweeping than President Reagan had originally sought. Members of the Senate applauded the use of reconciliation, while House Democrats claimed that it was a brutal, blunt and excessive use of presidential power.
		Senate	R	80-14		
		House	D	Voice Vote		
1982 OBRA	-\$13.3 billion over 3 years	President	R		Reauthorized and made changes to the food stamp program. Made changes to federal employee pay formula to limit inflation estimates; cut spending on government pensions, farm programs, food stamps, federal home loans and veterans' benefits.	This bill was temporarily sidetracked because of a clause allowing for a pay raise for members of Congress. It was approved quickly, however, after that measure was stricken.
		Senate	R	67-32		
		House	D	243-176		

Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA)	-\$115.8 billion over 3 years	President	R		Rescinded some tax cuts from 1981; limited some Medicare reimbursements to hospitals; opened Medicare to HMOs.	While the passage of this bill was considered a huge success for President Reagan and bipartisanship, it was not so for House Republicans, who were split in the final vote.
		Senate	R	52-47		
		House	D	226-207		
1983 OBRA	-\$8.2 billion over 3 years	President	R		Changed federal employee pay and retirement formulas.	This is the only reconciliation bill that did not go through the conference process- the Senate passed the House version. As with the 1981 OBRA, the key vote in the House occurred prior to final passage. The Senate passed a bill simultaneously to prevent a pay increase and cost of living adjustment for veterans.
		Senate	R	67-26		
		House	D	Voice Vote		
1985 COBRA (passed in 1986)	-\$24.9 billion over 4 years	President	R		Mandated program to let employees keep health insurance after leaving jobs; adjusted Medicare hospital payments; expanded Medicaid coverage to low-income pregnant women; other major adjustments in Medicare and Medicaid.	According to the Senate parliamentarian at the time, no other bill bounced between the two houses as much as this bill- a total of nine times after the conference report was filed. The passage was attributed to the Director of Office of Management and Budget, who was actively involved with the conference proceedings.
		Senate	R	78-1		
		House	D	230-154		
1986 OBRA	-\$17.0 billion over 3 years	President	R		Ordered the sale of Conrail and other federal assets; increased taxes; some changes in Medicare and Medicaid and private pension rules.	Passage of this bill was not guaranteed until members of the House agreed to drop a provision which would have required states to allow two-parent households to qualify for Aid to Families with Dependent Children. In return, the Senate let go its requirement mandating Medicare coverage for all state and local government employees and a provision that would have reduced the future tax basis for Conrail.
		Senate	R	61-25		
		House	D	305-70		
1987 OBRA	-\$39.6 billion over 2 years	President	R		Increased taxes primarily for corporations; created new limitations on farm subsidies; created federal standards for nursing homes under Medicare and Medicaid and expanded Medicaid eligibility;	As a result of the October stock market crash, President Reagan and Congress held a budget summit and set a goal of reducing the deficit by \$76 billion. Together with the budget resolution for fiscal year 1989, this bill repealed spending cuts that had previously been in effect. It was not clear before the final vote whether Reagan would sign the bill.
		Senate	D	61-28		
		House	D	237-181		

1989 OBRA	-\$39.2 billion over 3 years	President	R		\$10 billion in spending cuts; extended various tax breaks; adjusted Medicare reimbursements to physicians and Medicaid eligibility; created federal agency on research and quality of medical care.	The result of a bipartisan effort between the Republican President Bush and the Democratic Congress. The final bill fell far short of expectations of this effort, began earlier in the year when the President and Democratic leaders unveiled their agreement. Negotiations leading up to the final bill were confrontational, and the bill was criticized as doing little to resolve long-term deficits. Because Congressional committees failed to present cuts to the programs they oversee, negotiators were forced to make arbitrary spending cuts across the board. It did not meet the budget resolution's goal of \$28 billion in deficit reduction. See note regarding timing of crucial votes for 1981 OBRA & 1983 OBRA.
		Senate	D	Voice Vote		
		House	D	272-128		
1990 OBRA	-\$236 billion over 5 years	President	R		Established pay-as-you-go rules for the first time; created a new 31 percent tax rate and capped the capital gain tax rate at 28 percent; increased various excise taxes and fuel tax; made major changes in Medicare and Medicaid	Cornerstone of the year's budget agreement. Negotiations were stimulated by a summit in May called by President George H. W. Bush that angered both Democrats and Republicans. Mr. Bush reversed his pledge of "no new taxes." The resulting proposal caused the parties to pass a budget resolution mandating reconciliation, which allowed Democrats to bring the bill closer to their policy goals.
		Senate	D	54-45		
		House	D	228-200		
1993 OBRA	-\$433 billion over 5 years	President	D		Created two new personal income tax rates and a new corporate tax rate; repealed the cap on Medicare taxes; raised the gas tax; limited personal exemption and itemized deductions; expanded the earned income tax credit	Originated from Clinton's plan to reduce the deficit, and resulted from 3 months of negotiations in Congress. There was Republican opposition to the bill from the beginning, which caused Democrats to resolve inner-party conflicts in order to muster enough votes to pass the bill. The OMB estimated that the bill would reduce the deficit by \$500 billion over five years.
		Senate	D	51-50		
		House	D	218-216		

Personal Responsibility and Work Opportunity Act (1996)	-\$54.6 billion over 5 years	President	D		Sweeping overhaul of welfare programs; separated Medicaid from welfare.	President Clinton had vetoed two previous welfare reform bills. Efforts seemed to stall at the beginning of 1996, but were revitalized when the National Governors Association endorsed a combined welfare and Medicaid reconciliation bill. Senator Bob Dole, the presumed Republican front-runner in the 1996 election, refused to remove provisions affecting Medicaid from the bill. However, Republican leaders ultimately did so in order to ensure that the president would sign it.
		Senate	R	78-21		
		House	R	328-101		
Balanced Budget Act of 1997	-\$127.2 billion over 5 years	President	D		Created the Children's Health Insurance Program; broadened managed care alternatives in Medicare and Medicaid; expanded medical savings accounts; modified food stamp and welfare-to-work programs.	In conjunction with the Taxpayer Relief Act of 1997, also passed through reconciliation, this bill was the result of bipartisan agreement to balance the budget. By using two reconciliation bills, both tax cuts and deficit reduction goals were reached. This bill also raised the federal debt limit.
		Senate	R	85-15		
		House	R	346-85		
Taxpayer Relief Act of 1997	+\$100.4 billion over 5 years	President	D		Tax credits for family and education costs; new capital gains rate; new IRAs; increase in estate tax exemptions.	As the partner bill to the Balanced Budget Act of 1997, this bill was the first set of tax cuts since 1981. There was significant disagreement between the House and Senate Republicans on which provisions to include. Republicans ultimately finalized the bill in private meetings without Clinton or Democrat representation. Clinton ultimately used a line-item veto to strike two provisions from the final law.
		Senate	R	92-8		
		House	R	389-43		
Economic Growth and Tax Relief Reconciliation Act of 2001	+\$552 billion over 5 years	President	R		Cut income tax rates; repealed restrictions on itemized deductions and personal exemptions; reduced the marriage penalty and the impact of the alternative minimum tax; phased out estate and gift tax.	The centerpiece of George W. Bush's campaign in 2000. Enacted just before the Democrats gained majority control with Senator Jim Jeffords' party switch, this bill was written so that its tax cuts end in 2011 and the tax code returns to its prior state. Critics on both sides of the aisle raised concerns about the added complexity to the tax code. Democrats were furious at the use of reconciliation to increase deficits sharply through the tax cuts.
		Senate	50-50	58-33		
		House	R	240-154		

Jobs and Growth Tax Relief Reconciliation Act of 2003	+\$342.9 billion over 5 years	President	R		Reduced dividend and capital gains taxes for investors, accelerated tax rate reductions for top brackets; expanded lower tax brackets; raised tax credit to \$1,000 per child; adjusted the alternative minimum tax and business taxes.	Refined over five months of public debate, this bill was not expected to pass due to the fractured nature of the Republican Party. Vice President Cheney played a major role in coordinating the House and Senate versions of the bill, and ultimately cast the tie-breaking vote in the Senate. A package to provide aid to states was included in the Senate version at the insistence of moderates, but ultimately was dropped in the House version. Republicans announced they were seeking to make these tax cuts permanent; Democrats responded that reconciliation was being used as a gimmick to conceal the true effect of the cuts on the deficit.
		Senate	R	51-50		
		House	R	231-200		
Deficit Reduction Act of 2005	-\$39 billion over 4 years	President	R		Reduced Medicare and Medicaid spending; changed student loan formulas; reauthorized the Temporary Assistance for Needy Families program.	The House version had a provision opening up part of Alaska's Arctic National Wildlife Refuge to energy exploration, but moderates removed it. Senate Democrats raised challenges to several provisions of the bill on procedural grounds; ultimately, Vice President Cheney had to cast the tie-breaking vote in order to send the amended bill back to the House. A clerical error resulted in the House and Senate versions being slightly different, causing controversy after the bill's passage.
		Senate	R	51-50		
		House	R	212-206		
Tax Increase Prevention and Reconciliation Act of 2005	+\$70.0 billion over 4 years	President	R		Extended capital gains and dividend tax rates through 2010; extended alternative minimum tax through 2006 and adjusted it for inflation; extended through 2009 a tax deductible on depreciable expenses for small businesses.	Considered the Republicans' only legislative success going into the 2006 midterm elections. It basically served as an extension of previous Bush tax cuts. Agreement between the two chambers was stalled for months while the major committee chairmen refused to approve the other chamber's version. In order to reach agreement, Senator Chuck Grassley let drop a tax cut that would be included in a future bill.
		Senate	R	54-44		
		House	R	244-185		

College Cost Reduction and Access Act of 2007	-\$752 million over 5 years	President	R		A \$20 billion student aid reform package that included grant increases and loan rate reductions, and created a public service loan forgiveness program.	Made the most sweeping changes in federal student aid programs in the last decade. Seen as a major accomplishment of Democrats, who campaigned on making college more affordable. A number of entitlement programs were dropped in the final version of the bill. Democrats achieved passage through reconciliation by isolating provisions from the larger Higher Education Act, meeting the budget resolution's goal of \$750 million in savings.
		Senate	D	79-12		
		House	D	292-97		

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