



# The 'Second' Reconciliation Bill?

President Biden's 'Build Back Better' Plan  
and the Agenda After COVID Legislation

*Summary by the Greenberg Traurig Government Law & Policy Team*

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# Contents

THE BIDEN BUILD BACK BETTER PLAN.....	3
WILL THERE BE SENATE REPUBLICAN SUPPORT?.....	4
COMPLEXITIES OF USING THE BUDGET RECONCILIATION PROCESS .....	5
BUILD BACK BETTER: INFRASTRUCTURE .....	8
BUILD BACK BETTER: CLEAN ENERGY .....	10
BUILD BACK BETTER: MANUFACTURING AND WORKFORCE SUPPORT .....	12
BUILD BACK BETTER: INNOVATION, R&D .....	14
BUILD BACK BETTER: CAREGIVING ECONOMY .....	15
OFFSETTING BUILD BACK BETTER COSTS: TAX INCREASES?.....	17
NEXT STEPS .....	18
SOURCES FOR COST ESTIMATES.....	19



## The Biden BUILD BACK BETTER Plan

***“In my first appearance before a joint session of Congress, I will lay out my Build Back Better recovery plan. It’ll make historic investments in infrastructure, that Build Back Better plan. Infrastructure, manufacturing, innovation, research, and development, and clean energy, investments in a caregiving economy and skills and training needed by our workers to be able to compete and win in the global economy of the coming years.”***

*-- President-Elect Biden, speech on COVID-19 Recovery Plan, Wilmington, DE, January 14, 2021*

Although Congress is focused on COVID Relief legislation in the early weeks of 2021, the largest and most complex bill it will consider all year may be the Build Back Better plan proposed by President Biden. The President will address a joint session of Congress in the weeks ahead, where he will describe more details of the Build Back Better plan. It includes proposals in several areas that the Biden Administration believes are key to jumpstarting the economy. The proposals have a budget impact of more than \$3 trillion and are grouped in the following areas:

- **Infrastructure (\$1.376 trillion):** funding for roads and bridges, transit, aviation, water infrastructure, and broadband
- **Clean Energy (\$600 billion):** electric car charging stations, electric grid upgrades, energy efficiency, carbon capture
- **Manufacturing and Workforce Support (\$400 billion):** manufacturing incentives, Buy American, minimum wage, paid leave
- **Innovation and R&D (\$300 billion):** funding for breakthrough technologies like electric vehicles, 5G, artificial intelligence (AI)
- **Caregiver Economy (\$775 billion):** support for health care workers, home and community-based care, universal pre-K, child care

This document explores the following questions:

- Will there be enough **Republican support** to make this a bipartisan proposal?
- If not, can a **Budget Reconciliation** bill be used to pass the plan with a simple majority vote in the Senate?
- Which provisions violate the **Senate Byrd Rule** or involve **discretionary spending** outside the normal scope of Reconciliation?
- Will the Build Back Better package include other areas, like **taxes, health care, education, criminal justice, or immigration**?



## Will There Be Senate Republican Support?

The Build Back Better plan contains many of the major proposals made by President Biden during the 2020 campaign. He has expressed an interest in finding bipartisan support for the plan, in part because his own Democratic majorities in the House and Senate are extremely narrow. Can the White House find enough bipartisan support? If not, is there a path forward?

- **House and Senate Ratios have tightened.** The current House ratio is **221 Democrats** to **211 Republicans**. The Senate ratio is **50-50**, with Vice President Kamala Harris voting to break ties. While the House can pass most measures with a simple majority vote, the Senate Filibuster Rule requires 60 votes on most matters to close debate and get to a final vote. But there are exceptions.
- **Clues from the COVID Relief debate.** Although the Build Back Better plan is perhaps the most ambitious legislative initiative of 2021, President Biden's most immediate priority has been passing additional COVID Relief legislation. He proposed a \$1.9 trillion COVID stimulus package prior to being sworn in.
  - **Ten Republicans travel to the White House.** Unwilling to support such a large package, a group of 10 Senate Republicans (*see inset*) proposed a \$618 billion alternative. On February 1, 2021 this group travelled to the White House to meet with the President. A two-hour discussion produced no significant movement toward a compromise.
  - **Democrats proceed with Reconciliation.** On that same day, House Democrats introduced a budget resolution, which would pave the way for a Reconciliation bill to pass COVID legislation. Reconciliation, designed to get federal budget deficits under control, is one of a handful of exceptions to the Filibuster Rule that allow the Senate to pass legislation by a simple majority vote. COVID legislation would move forward on a partisan basis.
  - **Will Democrats Use the Same Procedure to Pass Build Back Better?** Many have already suggested that there will be a second Reconciliation bill later this year to pass Build Back Better. As described below, it will not be easy.

### Ten Senate Republicans Who Proposed Alternative COVID Relief Legislation:



**Collins (ME)**



**Murkowski (AK)**



**Cassidy (LA)**



**Romney (UT)**



**Portman (OH)**



**Capito (WV)**



**Young (IN)**



**Moran (KS)**



**Rounds (SD)**



**Tillis (NC)**



## Complexities of Using the Budget Reconciliation Process

The Budget Reconciliation process involves multiple steps and many procedural limitations. First, Congress must pass a Budget Resolution providing “instructions” to limit the jurisdiction and amounts that can be in a Reconciliation bill. The Reconciliation bill itself is limited by the Senate Byrd Rule to provisions that are budgetary in nature. It also is generally limited to changes in mandatory spending, revenues, and the debt limit – meaning that changes in discretionary spending cannot be included. If the bill ends up increasing the federal budget deficit, the PAYGO rules must be waived or across-the-board cuts to federal programs occur later in the year. These hurdles are described below.

### 1. Passing the Budget Resolution.

- **Instructions to Committees.** The budget resolution includes “instructions” to individual committees to produce changes in programs within their jurisdiction that produce a specific dollar amount. Provisions outside of the jurisdiction of these committees or beyond the instructed numeric budgetary changes are not allowed in the Reconciliation bill.
- **An Example: 2017 Tax Cuts.** Copied below is the entire set of Senate instructions from the 2017 budget resolution that authorized the Tax Cuts and Jobs Act (TCJA), allowing it to pass with a simple majority in the Senate as part of a Reconciliation bill. Only proposals within the jurisdiction of the two named committees (Finance and Energy) were in order. The cost of the original draft bill was several hundred billion dollars above the \$1.5 trillion limit over 10 years. To correct this violation of Reconciliation rules, several provisions of the TJCA were changed to expire before the end of the 10-year window, with sunset clauses of 2025 or earlier.

H.Con.Res. 71 (2017), Concurrent Resolution on the Budget

SEC. 2001. RECONCILIATION IN THE SENATE.

(a) COMMITTEE ON FINANCE. — The Committee on Finance of the Senate shall report changes in laws within its jurisdiction that increase the deficit by not more than \$1,500,000,000,000 for the period of fiscal years 2018 through 2027.

(b) COMMITTEE ON ENERGY AND NATURAL RESOURCES. — The Committee on Energy and Natural Resources of the Senate shall report changes in laws within its jurisdiction to reduce the deficit by not less than \$1,000,000,000 for the period of fiscal years 2018 through 2027.

(c) SUBMISSIONS. — In the Senate, not later than November 13, 2017, the Committees named in subsections (a) and (b) shall submit their recommendations to the Committee on the Budget of the Senate. Upon receiving such recommendations, the Committee on the Budget of the Senate shall report to the Senate a reconciliation bill carrying out all such recommendations without any substantive revision.

## 1. Passing the Budget Resolution (continued).

- **A Second Budget Resolution.** Since 1982, Congress has considered no more than one budget resolution per fiscal year. Since the budget resolution authorizing the COVID Relief Reconciliation bill is for fiscal year 2021, a second budget resolution will be required to authorize Reconciliation legislation for the Build Back Better plan. This second resolution may be for fiscal year 2022, which begins October 1, 2021. This means new spending authorized for the Build Back Better plan may not begin prior to that date.

**2. Senate Byrd Rule.** In 1985, the Senate adopted Reconciliation rules named for Senator Robert C. Byrd (D-WV) intended to keep “extraneous” matters out of Reconciliation bills and focus the legislation more specifically on deficit reduction. Extraneous matters can be stricken from the bill during Senate consideration. This rule is now codified as section 313 of the Congressional Budget Act of 1974 (2 U.S.C. 644).

- **Limitations.** Extraneous matters generally fall into the following categories:
  - **No Budgetary Effect.** A provision that does not produce a change in outlays or revenues generally cannot be included in a Reconciliation bill. Language that does not directly affect the budget but that “mitigates direct effects” or is “an integral part” of a provision that affects the budget can be included.
  - **Committee Failure to Meet Instructions.** Provisions that would cause a committee to fail to meet its budget resolution instructions are not in order. As an example, an amendment to strike a tax cut sunset clause violated the Byrd Rule for this reason.\*
  - **Outside Jurisdiction of Relevant Committees.** Provisions outside the jurisdiction of the committees receiving instructions cannot be included. For example, an amendment was disallowed that reduced revenues and was fully offset with rescissions of appropriated funds – because appropriations provisions were outside relevant committee jurisdiction.\*
  - **Budget Effects are Merely Incidental to Non-budgetary Components.** If a provision has minimal budgetary effects but its real purpose is non-budgetary policy changes, it violates the Byrd Rule. Example: An amendment with OSHA penalty language was disallowed – because the budgetary impact from fines was “merely incidental” to the real purpose of establishing new violations.\*
  - **Increase Deficits Beyond the 10-Year Window.** Reconciliation language cannot create new deficits beyond the time period covered by the bill; this is why many Reconciliation provisions have sunset clauses.

\* Source: *The Budget Reconciliation Process: The Senate’s “Byrd Rule,”* Congressional Research Service, updated December 1, 2020.

## 2. Senate Byrd Rule (continued).

- **The Byrd Bath.** Prior to beginning Senate floor debate, the Senate Parliamentarian will “scrub” a Reconciliation bill to eliminate all provisions that violate the Byrd Rule. Senators and staff sometimes refer to this as the “Byrd Bath.” Amendments offered once debate begins that may violate the Byrd Rule must be challenged by an individual Senator with a point of order. If the point of order is sustained, it can only be waived with a vote of three-fifths of Senators.

**Byrd Rule Track Record.** There have been 25 Reconciliation bills since 1980 (four were vetoed). During those debates, 62 of 72 Byrd Rule points of order were sustained; 50 of 59 waiver motions were rejected.\*

## 3. Converting Discretionary Spending to Direct Spending.

- **No Discretionary Appropriations in Reconciliation.** With respect to spending, section 310 of the Budget Act of 1974 (2 U.S.C. 641) allows a budget resolution to specify the total amount by which “budget authority” is to be changed “within the jurisdiction of a committee.” Since the Appropriations Committees do not have authorizing jurisdiction, it is the practice with Reconciliation bills that no changes in discretionary spending are included and no instructions are given to the Appropriations Committees. Therefore, to include proposals that typically involve discretionary spending, language must be converted into direct spending and reported by one of the authorizing committees as directed by the budget resolution. This can be a complex drafting exercise.

**4. Waiving Statutory PAYGO Rules.** The “PAYGO” rules generally establish a scorecard for all bills that increase the budget deficit throughout the course of a year, and requires an end-of-year, across-the-board spending cut in most federal programs of an equal amount. The House and Senate each have PAYGO rules, which can be waived in a budget resolution. However, the Statutory Pay-As-You-Go Act of 2010 (Pub. L. 111-139) can only be waived in a bill that is signed into law. Since including this waiver in the Reconciliation bill itself may violate the Byrd Rule, it generally must be included in a separate, unrelated bill.

The pages that follow summarize the Build Back Better proposals by subject area, identifying provisions that may have Byrd Rule problems, or that involve traditional discretionary spending proposals that may need to be converted to direct spending, or that propose changes in revenues. Where a cost estimate has been identified, it is included in parentheses.

\* Source: *The Budget Reconciliation Process: The Senate’s “Byrd Rule,”* Congressional Research Service, updated December 1, 2020.



**Senate  
Parliamentarian  
Elizabeth  
MacDonough**



## Build Back Better: Infrastructure

**Description:** The infrastructure portion of Build Back Better provides funding across a broad variety of sectors. It is intended to create “millions of good, union jobs rebuilding America’s crumbling infrastructure.”

**Budget Impact:** \$ 1.376 trillion

### Potential Byrd Rule Problems

- **Labor standards:** Many of the direct spending proposals are contingent upon providing strong labor protections to workers implementing infrastructure programs, including increased minimum wage, paid leave, fair overtime, and collective bargaining protections
- **Create Public Credit Reporting Agency:** Would establish a government option for obtaining credit reports
- **Homeowner and Renter Bill of Rights:** Modeled on California Homeowner Bill of Rights

### Direct Spending Proposals

- **Roads and Bridges:** Jump-start surface transportation funding with an additional \$50 billion in the first year
- **Public Schools Modernization:** Rebuild America’s Schools Act to address health and safety risks (\$100 billion)
- **Affordable Housing Fund:** Construct 1.5 million sustainable homes (\$100 billion)
- **Transformational Projects Fund:** Develop transportation, water, and energy projects too large and complex for existing programs like regional systems, port upgrades, or tunnels (\$40 billion)
- **Corps of Engineers:** Increase annual funding by \$2.5 billion per year to support ports and waterways projects (\$25 billion)
- **Broadband:** Expand network of affordable high-speed internet, with emphasis in rural areas (\$20 billion)
- **BUILD and INFRA Grants:** Double funding for competitive transportation grants (\$17 billion)
- **Ending Homelessness Act:** Address unmet needs of homeless population through emergency relief grants (\$13 billion)



## Direct Spending Proposals (continued)

- **Cities Revitalization Fund:** Redevelop waterfronts and main street business districts, create public markets and new green spaces (\$10 billion)
- **CDBG Flexible Funding:** Increase Community Development Block Grant funding by \$1 billion per year to support infrastructure (\$10 billion)
- **Light Rail, Urban Transit:** Install light rail networks or improved transit and bus lines in every city with 100,000 or more residents (\$10 billion)
- **Community Development Financial Institutions:** Double CDFI funding (\$1.3 billion)
- **Electrify Rail Systems:** Promote the “cleanest, safest, and fastest rail system in the world”
- **High Speed Rail:** Fund Northeast Corridor, Hudson River Tunnel, Midwest connector, West Coast priorities
- **Airports:** Double funding for Airport Improvement Program; implement NextGen technology system
- **Freight Infrastructure:** Support high priority projects, such as Oregon-Washington bridge, Chicago’s CREATE project
- **Water Infrastructure:** Double investment in the repair of water pipelines and sewer systems
- **Brownfield Properties:** Increase funding to restore and redevelop abandoned and underused properties
- **Smart Cities Grants:** Build on DOT Smart City Challenge with competitive grants
- **Economic Development Administration:** Double EDA funding

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## Tax Proposals

- **First Down Payment Tax Credit:** Provide refundable tax credit of up to \$15,000 for first-time homebuyers (\$154 billion)
- **New Markets Tax Credit:** Expand the credit and make the program permanent (\$12 billion)
- **Low Income Housing Tax Credit:** Expand existing LIHTC and make it “more efficient” (\$11 billion)



## Build Back Better: Clean Energy

**Description:** The plan funds multiple clean energy priorities and provides incentives, consistent with achieving the longer-term goals of net-zero carbon emissions.

**Budget Impact:** \$600 billion

### Potential Byrd Rule Problems

- **Good Jobs for the 21<sup>st</sup> Century Energy Act:** Although this proposal contains tax incentives and grant programs that might be included in a Reconciliation bill, it also contains several conditional labor provisions, including project labor agreement standards, prevailing wage, apprenticeship set-asides, and other mandatory labor requirements
- **Fuel Economy Standards:** Establish new standard to promote zero-emissions light- and medium-duty vehicles
- **Energy Efficiency and Clean Electricity Standard (EECES):** Technology-neutral standard for utilities and grid operators
- **Uniform Building Performance Standards:** Establish national standards for existing buildings
- **ARPA-C:** Create Advanced Research Projects Agency on Climate, with emphasis on grid-scale storage, advanced nuclear reactors, carbon-free hydrogen, soil management, plant biologies, airborne carbon capture, green hydrogen
- **Civilian Climate Corps:** Create entity to mobilize conservation and resilience workers (\$64 billion)

### Direct Spending Proposals

- **Clean Cars Rebates:** Create incentives to swap older vehicles for clean fuel vehicles (\$145 billion)
- **Federal Electric Vehicle Fleet:** Purchase of clean vehicles for federal, state, tribal, postal, and local fleets with a goal of three million clean vehicles
- **Resiliency Funding:** Support 250,000 jobs in conservation, remediation, and resiliency activities (\$85 billion)

## Direct Spending Proposals (continued)

- **Smart Grid:** Invest in line infrastructure and decentralize grid structure (\$50 billion)
- **Fossil Legacy Reclamation:** Fund projects to reclaim, remedy, and restore abandoned coal, hardrock, and uranium mines (\$50 billion)
- **Environmental Justice Fund:** Replace and remediate lead service lines, lead paint; create climate and economic justice screening tool (\$50 billion)
- **Clean Energy Loan Guarantees:** Use authority from the 2009 stimulus bill for Energy Department support of new projects (\$40 billion)
- **Manufacturing Retooling and Retrofits:** Provide grants to retool factories to assemble zero-emission vehicles (\$35 billion)
- **500,000 Electric Vehicle Charging Stations:** Invest in geographically diverse station locations (\$25 billion)
- **Retrofitting Buildings:** Upgrade four million offices, warehouses, and public buildings over four years
- **Weatherization Assistance:** Protect two million homes over four years (\$15 billion)
- **Energy Efficient and Conservation Block Grant:** Expand the existing grant program (\$15 billion)
- **Climate-Smart Agriculture:** Provide low-cost financing for transition to new equipment and methods, precision agriculture

## Tax Proposals

- **Electric Vehicle Tax Credit:** Restore and extend the previous credit (\$30 billion)
- **Energy Investment Tax Credit:** Expand and extend existing credits (\$26 billion)
- **Energy Efficiency Tax Credit:** Reinstate residential tax credits, expand deductions for retrofits, smart metering (\$25 billion)
- **Jobs in Energy Tax Credit:** Create 10% investment tax credit for qualified energy facilities, carbon capture equipment, energy storage property (\$10 billion)
- **Carbon Capture Utilization and Storage Tax Credit:** Expand existing section 45Q CCUS incentives (\$8 billion)
- **Solar Investment Tax Credit:** Reinstate the solar ITC and extend it



## Build Back Better: Manufacturing and Workforce Support

**Description:** Build Back Better includes a series of proposals designed “to bolster American industrial and technological strength and ensure the future is ‘made in all of America’ by all of America’s workers.”

**Budget Impact:** \$400 billion

### Potential Byrd Rule Problems

- **Minimum Wage:** Increase the federal minimum wage to \$15 per hour; end the tipped minimum wage
- **Protecting the Right to Organize (PRO) Act:** Ease standards for organizing and collective bargaining
- **Universal Paid Sick Leave, Family and Medical Leave:** Mandate paid sick days and 12 weeks of family and medical leave (\$547 billion)
- **Paycheck Fairness Act:** Ensure women are paid equally; the legislation has a budget impact (\$136 billion), but its enforcement provisions may be “extraneous”
- **OSHA Safety Standard:** Establish “robust safety standards” relating to workplace hazards
- **Gig Workers:** Broaden definition of “employee” to include gig workers
- **Labor standards for federal procurement contracts:** Require companies receiving federal contracts to meet certain standards on minimum wage, paid leave, fair overtime, and collective bargaining rights

### Direct Spending Proposals

- **Increased Federal Procurement:** Require federal purchase from domestic suppliers of key clean energy inputs, clean generating capacity, critical medical supplies and pharmaceuticals, telecommunications, artificial intelligence (\$400 billion)
- **Small Manufacturing Credit Facility:** Establish lending program for small- to medium-sized manufacturers for investment to modernize and compete (\$2.8 billion)

## Direct Spending Proposals (continued)

- **Manufacturing Extension Partnership:** Quadruple MEP funding, which supports public-private centers in all 50 states (\$0.6 billion)

## Tax Proposals

- **Manufacturing Communities Tax Credit:** Expand Obama Administration initiative for communities that have experienced mass layoffs or closure of a major government institution (\$3 billion)



## Build Back Better: Innovation, R&D

**Description:** Fund strategic research in clean energy, transportation, industrial processes and materials “to secure our global leadership in the most critical and competitive new industries and technologies.”

**Budget Impact:** \$300 billion

### Potential Byrd Rule Problems

- **Royalties for Research-related Products:** Require reimbursement from companies that benefit from federal research if products are not made in the United States
- **ARPA-H:** Create Advanced Research Projects for Health for breakthrough research
- **Employer Notice of Technology Changes:** Require employers receiving federal funds to give employees advance notice of technology changes and workplace automation
- **Strengthen Community Reinvestment Act:** Expand the CRA to apply to nonbank lenders

### Direct Spending Proposals

- **Expand Federal R&D:** Establish a coordinated research agenda involving National Institutes of Health, National Science Foundation, Department of Energy, and ARPA-H, Defense Advanced Research Projects Agency, to develop new breakthrough technology R&D programs targeting 5G, AI, Biotechnology, Electric Vehicles, Lightweight Materials, Battery Storage, Public Health Equipment (\$300 billion)
- **Scale-Up SBIR:** Expand funding for Small Business Innovation Research program
- **Small Business Opportunity Fund:** Use 10% of innovation funding to target small and minority entrepreneurs, including state and local venture capital programs that provide new equity investment for entrepreneurs in disadvantaged areas
- **HBCU Funding:** Create research centers of excellence, high-tech labs, STEM graduate programs
- **Minority Business Development Agency:** Use \$25 billion to expand the role of the MBDA



## Build Back Better: Caregiving Economy

**Description:** Build Back Better includes proposals to assist individuals and families in finding access to quality caregiving, either for themselves or to help “juggle the responsibilities of working and also caring for family members.”

**Budget Impact:** \$775 billion

### Potential Byrd Rule Problems

- **Uniform Childcare Standards:** Establish a federal-state partnership to establish quality standards

### Direct Spending Proposals

- **Medicaid Home and Community-based Care:** Establish a LTSS (long-term services and support) Innovation Fund to close gaps and give more choice to receive care at home; eliminate current waitlist (\$450 billion)
- **Child Care Subsidies, Child Care and Development Block Grants:** Establish subsidies for child care costs above 7% of household income (\$72 billion)
- **Universal Pre-K:** Provide federal resources for universal preschool (\$66 billion)
- **Early Head Start Child Care Partnerships:** Double funding for EHS-CCP (\$4.3 billion)
- **CAPABLE Program:** Provide home repairs and modifications for older adults
- **150,000 Community Health Care Workers:** Create direct grant funding and an optional benefit for States under Medicaid
- **Opioid Counseling:** Train 35,000 workers
- **Nursing Professionals:** Build upon CARES Act funding and structure
- **Veterans Affairs’ Staffing:** Provide funding to fill occupational shortages and vacancies at VA facilities
- **Indian Health Service:** Fund an increase in the number of IHS health professionals
- **Community College Child Care:** Provide funding for wraparound child care services

## Tax Proposals

- **Caregiver Tax Credit:** \$5,000 tax credit for informal caregivers (\$99 billion)
- **Child Care Tax Credit:** \$8,000 tax credit for families making up to \$125,000 (\$35 billion)
- **Child care Construction Tax Credit:** New tax credit for workplace facilities equal to 50% of first \$1 million of construction costs





## Offsetting Build Back Better Costs: Tax Increases?

President Biden has proposed more than \$4 trillion in new revenues to offset the cost of many of the Build Back Better proposals. If a budget Reconciliation bill is used to enact these proposals, Congress will also need to determine which (if any) revenue increases to include to lower the federal budget deficit impact.

### Ten Largest Biden Administration Revenue Increase Proposals:

<b>Increase Corporate Tax Rate</b>	▶ \$1.341 trillion
<b>Apply Payroll Tax to annual Incomes Over \$400,000</b>	▶ \$997 billion
<b>Tax Capital Gains as Ordinary Income above \$1 million</b>	▶ \$462 billion
<b>Reduce the global intangible low-tax income (GILTI) deduction</b>	▶ \$314 billion
<b>Limit itemized deductions to 28% of value</b>	▶ \$310 billion
<b>Eliminate real estate preferences</b>	▶ \$303 billion
<b>Tax compliance investments and sanctions</b>	▶ \$300 billion
<b>Estate, gift, and generation-skipping transfer reforms</b>	▶ \$267 billion
<b>Phase-out qualified business income deduction for annual Incomes over \$400,000</b>	▶ \$219 billion
<b>15% Minimum Tax on Global Book Income</b>	▶ \$175 billion



## Next Steps

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**President Biden Speech to Joint Session of Congress.** The President is planning on a speech to Congress (initially scheduled for Feb. 23, 2021, but postponed) in the weeks ahead where he will outline the parameters of the Build Back Better plan.

**Impact of the COVID Relief Reconciliation Bill.** The Congressional debate on the first Reconciliation bill of 2021 will influence the Build Back Better plan in several ways.

- **Bipartisanship:** The Reconciliation option is often used with narrow margins in Congress when bipartisanship does not seem likely. The COVID Relief legislation has been developed with only Democratic support; this may impact legislative efforts throughout 2021.
- **Byrd Rule interpretations:** The role of the Senate Parliamentarian in determining the scope of a Reconciliation bill is enormously important. Interpretations of what constitutes “extraneous” provisions and is ineligible during Senate floor debate may significantly impact the drafting of the “second” Reconciliation bill.
- **Early Inclusion of Build Back Better proposals:** It is possible that some of the Build Back Better proposals made by President Biden and described in this document will be included, at least in part, in the COVID Relief legislation.

**The FY22 Budget Resolution.** The House and Senate Budget Committees can be expected to begin work in the spring of 2021 drafting the fiscal year 2022 Budget Resolution, which may include instructions for the “second” Reconciliation bill.

**Decisions on Scope of FY22 Reconciliation Bill.** In addition to determining which aspects of the Build Back Better plan and tax increases should be included in the “second” Reconciliation bill, Congress will also debate whether proposals from other areas should be authorized, including the following areas:

- Health Care
- Education
- Criminal Justice Reform
- Immigration

**The Most Important Next Step: Counting Votes.** With margins so narrow in both chambers, any proposal that would jeopardize the vote of even a single Democrat or that has the potential to gain the support of a small handful of Republicans will be given special scrutiny.



## Sources for Cost Estimates

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Committee for a Responsible Federal Budget, [\*The Cost of the Trump and Biden Campaign Plans\*](#), Oct. 7, 2020

[Congressional Budget Office](#)

[Joe Biden.com](#)

[Joint Committee on Taxation](#)

Moody's Analytics, [\*The Macroeconomic Consequences: Trump v. Biden\*](#), Mark Zandi and Bernard Yaros, Sept. 23, 2020

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[Tax Policy Center](#)



## Additional Information

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