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BILL	NET EFFECT ON DEFICIT	MAJORITY (D: R:)	FINAL VOTE	POLICY CHANGES	BACKGROUND
1981 Omnibus Budget Reconciliation Act	-\$130.6 b (OVER 3 YEARS) 	  	80-14 VOICE VOTE	Made significant cuts to discretionary programs, including welfare and food stamps.	Use of reconciliation for this bill was advanced by David Stockman, director of the Office of Management and Budget, who was a former House member. In the House, the crucial roll-call vote occurred before final passage, which is why it took place with a voice vote. The bill that emerged from the House-Senate conference was less sweeping than President Ronald 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.
1982 Omnibus Budget Reconciliation Act	-\$13.3 b (OVER 3 YEARS) 	  	67-32 243-176	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 and veterans' benefits.	This bill was temporarily sidetracked because of a clause allowing a pay raise for members of Congress. It was approved quickly, however, after that measure was stricken.
1982 Tax Equity and Fiscal Responsibility Act	-\$115.8 b (OVER 3 YEARS) 	  	52-47 226-207	Rescinded some tax cuts from 1981; limited some Medicare reimbursements to hospitals; opened Medicare to H.M.O.'s.	While the passage of this bill was considered a huge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.
1985 Consolidated Omnibus Budget Reconciliation Act	-\$24.9 b (OVER 4 YEARS) 	  	78-1 230-154	Mandated program to let employees keep health insurance after leaving jobs; adjusted Medicare hospital payments; expanded Medicaid coverage to low-income pregnant women; made other major adjustments in Medicare and Medicaid.	According to the Senate parliamentarian at the time, no other bill had bounced between the two houses as often as this bill — a total of nine times after the conference report was filed. Its passage was attributed to James Miller III, director of the Office of Management and Budget, who was actively involved with the conference proceedings.
1986 Omnibus Budget Reconciliation Act	-\$17.0 b (OVER 3 YEARS) 	  	61-25 305-70	Ordered the sale of Conrail and other federal assets; increased taxes; made some changes in Medicare and Medicaid and private pension rules.	Passage was not guaranteed until members of the House agreed to drop a provision that would have required states to allow two-parent households to qualify for Aid to Families With Dependent Children. In return, the Senate let go of 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.
1987 Omnibus Budget Reconciliation Act	-\$39.6 b (OVER 3 YEARS) 	  	61-28 237-181	Increased taxes primarily for corporations; created new limits 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.
1990 Omnibus Budget Reconciliation Act	-\$236 b (OVER 5 YEARS) 	  	54-45 228-200	Established pay-as-you-go rules for the first time; created a new 31-percent tax rate and capped the capital gains 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 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.
1993 Omnibus Budget Reconciliation Act	-\$433 b (OVER 5 YEARS) 	  	51-50 218-216	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 exemptions and itemized deductions; expanded the earned-income tax credit.	Originated from President Bill Clinton's plan to reduce the deficit, and resulted from three months of negotiations in Congress. There was Republican opposition to the bill from the beginning, which forced Democrats to resolve internal party conflicts in order to muster enough votes to pass the bill. The Office of Management and Budget estimated that the bill would reduce the deficit by \$500 billion over five years.
1996 Personal Responsibility and Work Opportunity Act	-\$54.6 b (OVER 5 YEARS) 	  	78-21 328-101	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 for 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.
1997 Balanced Budget Act	-\$127.2 b (OVER 5 YEARS) 	  	85-15 346-85	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.

2001 Economic Growth and Tax Relief Reconciliation Act

\$552 b
(OVER 5 YEARS)



58-33
240-154

Cut income tax rates; repealed restrictions on itemized deductions and personal exemptions; reduced the marriage penalty and the impact of alternative minimum tax; phased out estate and gift taxes.

The centerpiece of George W. Bush's campaign in 2000. Originally drafted shortly before the Democrats took over control of the Senate, the 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 tax cuts.

2003 Jobs and Growth Tax Relief Reconciliation Act

\$342.9 b
(OVER 5 YEARS)



51-50
231-200

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 because of the fractured nature of the Republican Party. Vice President Dick 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.

2005 Deficit Reduction Act

-\$39.0 b
(OVER 4 YEARS)



51-50
212-206

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 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.

2005 Tax Increase Prevention and Reconciliation Act

\$70.0 b
(OVER 4 YEARS)



54-44
244-185

Extended capital gains and dividend tax rates through 2010; extended the alternative minimum through 2006 and adjusted it for inflation; extended through 2009 a tax deduction 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, Republican of Iowa, let drop a tax cut that would be included in a future bill.

2007 College Cost Reduction and Access Act

-\$752 m
(OVER 5 YEARS)



79-12
292-97

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 for 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.

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