



Policy Resolution Group Reconciliation & Infrastructure Update

November 5, 2021

Negotiations on Reconciliation and the Infrastructure Bill Still Ongoing – PRG Will Provide Additional Updates as Necessary

Please find below the latest addition of the Policy Resolution Group's FY2022 Budget Reconciliation & Infrastructure Update.

Included in this newsletter are sections on:

- Liam Donovan's Bottom Line
- Biden Administration Estimated Budgetary Effects of the Build Back Better Act
- Document Library

Liam Donovan's Bottom Line

Bumpy Landing for BIF; Ongoing Turbulence for BBB. A tense day of vote wrangling and repeated false starts in Democratic bids to advance their stalled legislative agenda ended with muted progress this evening, as the House passed the bipartisan Infrastructure Investment and Jobs Act (BIF), along with a procedural rule necessary for eventual consideration of the reconciliation tax and spending package, but failed to move the Build Back Better Act (BBB) itself. The frenetic day capped off a rollercoaster week for Biden and the congressional Democrats, in which a promising progressive about-face on process and sequence was quickly eclipsed by frosty public comments on the framework by pivotal Senator Joe Manchin, overshadowed in turn by a brutal election night that saw Republicans sweep the constitutional offices in Virginia, nearly pick off a "safe" incumbent Governor in deep blue New Jersey, and make state and local gains in races across the country.

The election night fallout led to a strategic shift from Speaker Nancy Pelosi, who abandoned the months long strategy of close coordination that sought to "pre-conference" an agreed upon bill with the Senate, instead charging ahead with a plan designed simply to get reconciliation out of the House. In a bid to win the necessary 218 votes, the Speaker unilaterally added back the paid leave program while cutting deals on SALT relief, immigration considerations, and other smaller changes designed to persuade the remaining holdouts. Updated language was released mid-week, and the Rules Committee held lengthy sessions on Wednesday and Thursday before reporting a rule setting the terms of consideration for a retooled version.

The new tack is an acknowledgement of two things--first, that the "dual track" approach would be abandoned as the BIF would be delivered to the President's desk with no assurances on the Build Back Better Act (BBB); and second, that the House version of the bill would face considerable changes in the Senate, meaning they would have to vote again before the package could be signed into law.

While Democrats seem to be generally converging on substance and forging requisite compromise on tricky issues, an uncertain path lies ahead in the Senate, where Joe Manchin has signaled dissatisfaction with the bill, deriding its structure as "shell games" and "budget gimmicks," and rejecting the notion of the House BBB as a basis for the final text. Manchin's hostility toward the House product likely informed the reservations of a small rump of House moderates who pledged to withhold their support until the Congressional Budget Office (CBO) releases its official score, among other procedural demands. The group's refusal to back down in the lead-up to planned votes on both bills led Speaker Pelosi to offer an alternative arrangement, where the moderates would support the BBB rule as a good faith gesture and the House would pass the BIF. Progressives balked at this plan, threatening to vote it down if Pelosi put it on the floor. The White House interceded directly to help find a way for progressives to support the bill, which led to a late-night pledge from moderates, backed by the President's word, to back the House BBB if and when the CBO score comes back as expected. The agreement ended the tense standoff and opened the door to late night votes on the BIF and the rule, while the newly decoupled BBB remains in limbo.

Congress now departs Washington for a recess week, before returning for a week-long work period before the Thanksgiving holiday. Leadership hopes the official score for the Congressional Budget Office will be available that week, satisfying the demands of moderate holdouts, and the Senate to begin its role in the reconciliation process. The score may also inform the durability of the previously agreed upon language, and the need to revisit the pay-for section of the bill which has otherwise been largely firmed up.

Given the inevitable substantive changes, redrafting, parliamentary vetting, and Senatorial novelties such as the vote-a-rama, consideration will almost certainly slip into December, where it stands to converge with the government funding and debt ceiling deadlines. Final passage will depend in a large part on Manchin's sense of urgency, and the House's appetite to swallow whatever the Senate is able to send back.

Follow Liam on Twitter: [@LPDonovan](https://twitter.com/LPDonovan)

Biden Administration Estimated Budgetary Effects of the Build Back Better Act

**White House Preliminary Budgetary Estimate of the Build Back Better Act, H.R. 5376
As Reported by the Committee on the Budget, with modifications (11/3/21)**

	\$, billions*	
Budget Authority**	1,676.2	
Revenue	1,712.5	
Estimated Effect on the Deficit, 2022-2031	-36.3	
Estimated Effect on the Deficit, 2032-2041	At least -\$2 trillion	
Policy	Budget Authority**	Revenue
Child Care and Preschool	390.0	0.0
Home Care	150.0	0.0
Health Coverage	126.0	0.0
Prescription Drug Policies	-250.0	0.0
Clean Energy and Climate	360.9	-207.8
Higher Education and Workforce	40.2	0.0
Child Tax Credit and EITC	169.6	-33.2
Medicare Hearing	28.0	0.0
Health Workforce	29.5	-1.4
Housing	154.5	0.0
Equity and Other Build Back Better Investments	100.2	0.0
Paid Leave	194.0	0.0
Other Tax Investments	3.2	-26.7
Immigration	100.0	0.0
Domestic Corporate Reform	0.0	443.1
International and Other Business Reform	0.0	364.2
Individual High-Income	0.0	640.2
Tax Enforcement (Treasury Estimate)***	80.0	480.0
Other Revenue Measures	0.0	54.1

*This table shows changes in net budget authority and changes in net revenue, consistent with official scoring conventions. This translates to about \$2 trillion (about \$100 billion for immigration) in gross investment and tax cuts and about [\\$2.15 trillion](#) in gross offsets. The net deficit effect of -\$36.3 billion remains the same.

**For programs receiving definite appropriations, this shows appropriated budget authority. In final scoring, the cost of the bill will be measured in outlays and may be somewhat lower than the budget authority appropriated.

***Consistent with scoring conventions for program integrity measures, tax enforcement savings will not be reflected in a CBO estimate of this legislation.

Document Library

November 3

Bill Text and Comparisons:

- For the House Rules Committee Print of the Build Back Better Act released on November 3 click [HERE](#).
- For a comparative print between the November 3 print and the October 28 print click [HERE](#).
- For a comparative print between the November 3 print and the initial text of H.R. 5376 click [HERE](#).

Summaries and Fact Sheets:

- For a section-by-section summary of the Build Back Better Act click [HERE](#).
- For a fact sheet on the agriculture provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the homeland security provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the science, space, and technology provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the energy & commerce provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the judiciary provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the small business provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the education & labor provisions in the Build Back Better Act click [HERE](#).

- For a fact sheet on the natural resources provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the financial services provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the oversight and reform provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the transportation & infrastructure provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the veterans' affairs provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the ways & means provisions in the Build Back Better Act click [HERE](#).

Budgetary Estimates

- For the Joint Committee on Taxation's Estimated Budget Effects of the Build Back Better Act click [HERE](#).
- For the White House's preliminary budgetary estimates of the Build Back Better Act click [HERE](#).
- For a Dear Colleague Letter from the Speaker of the House issued on November 4 regarding the preliminary budget estimate of the Build Back Better Act click [HERE](#).

October 28 Text

For the House Rules Committee Print of the Build Back Better Act released on October 28 click [HERE](#).

For a section-by-section summary of the Build Back Better Act click [HERE](#).

For the Build Back Better Framework released on October 28 click [HERE](#).

For the White House fact sheet on the Build Back Better Framework released on October 28 click [HERE](#).

September 27 Text

For the text of H.R. 5376 the Build Back Better Act as reported by the House Committee on the Budget on September 27 click [HERE](#).

For the report from the Committee on the Budget to accompany H.R. 5376 click [HERE](#).

Background Material

For the Congressional Research Service report on "The Senate's 'Byrd Rule'" click [HERE](#).

Provisional Text

For a preliminary budget reconciliation framework signed by Sen. Joe Manchin (D-WV) and Sen. Majority Leader Chuck Schumer (D-NY) on July 28 click [HERE](#).

For the House Committee on the Budget's full text of the Build Back Better Act click [HERE](#).

- For Part 1 of the House Committee on the Budget's report on the Build Back Better act click [HERE](#).
- For Part 2 of the House Committee on the Budget's report on the Build Back Better act click [HERE](#).
- For Part 3 of the House Committee on the Budget's report on the Build Back Better act click [HERE](#).

For the summary of the Senate budget resolution click [HERE](#).

- For the text of the Senate budget resolution click [HERE](#).
- For the committee print to accompany the FY22 budget resolution click [HERE](#).
- For Senate Majority Leader Chuck Schumer's (D-NY) dear colleague letter regarding the climate impacts of the budget resolution click [HERE](#).

For the summary of the House budget resolution click [HERE](#).

- For the text of House Resolution advancing the bipartisan infrastructure agreement, the Senate budget resolution, and H.R. 4 the John R. Lewis Voting Rights Advancement Act of 2021 click [HERE](#).

For a summary of Sen. Ron Wyden's (D-OR) proposals for tighter tax rules on partnerships and an excise tax on stock buybacks click [HERE](#).

- For the text of Sen. Wyden's proposals click [HERE](#).

Markups

Agriculture: For the text of the House Agriculture Committee print containing legislative proposals click [HERE](#).

- For a summary of the proposals click [HERE](#).

Education and Labor: For the text of the House Committee on Education & Labor print containing legislative proposals click [HERE](#).

- For an amendment in the nature of a substitute offered by Chairman Bobby Scott (D-VA) click [HERE](#).

Energy and Commerce: For a fact sheet of the House Committee on Energy and Commerce markup of the Build Back Better Act click [HERE](#).

- For a memorandum on the markup click [HERE](#).
- For Subtitle A on Air Pollution click [HERE](#).
- For Subtitle B on Hazardous Materials click [HERE](#).
- For Subtitle C on Drinking Water click [HERE](#).
- For Subtitle D on Energy click [HERE](#).
- For Subtitle E on Drug Pricing click [HERE](#).
- For Subtitle F on Affordable Care Coverage click [HERE](#).
- For Subtitle G on Medicaid click [HERE](#).
- For subtitle H on CHIP click [HERE](#).
- For subtitle I on Medicare click [HERE](#).
- For subtitle J on Public Health click [HERE](#).
- For subtitle K on Next Generation 9-1-1 click [HERE](#).
- For subtitle L on Wireless Connectivity click [HERE](#).
- For subtitle M on Distance Learning click [HERE](#).
- For subtitle N on the Manufacturing Supply Chain click [HERE](#).
- For subtitle O on FTC Privacy Enforcement click [HERE](#).
- For subtitle P on the Department of Commerce Inspector General click [HERE](#).
- For a full committee action summary click [HERE](#).

Financial Services: For the text of the House Committee on Financial Services click [HERE](#).

- For an amendment in the nature of substitute offered by Chairwoman Maxine Waters (D-CA) click [HERE](#).
- For the committee Memorandum click [HERE](#).
- For the text of H.R. 5195, the “Native American Housing Assistance and Self-Determination Reauthorization Act of 2021” click [HERE](#).
- For the text of H.R. 5196, the “Expediting Assistance to Renters and Landlords Act of 2021” click [HERE](#).

Homeland Security: For the committee print of the reconciliation of the House Homeland Security Committee print containing legislative proposals click [HERE](#).

- For the amendments adopted click [HERE](#).

Judiciary: For the text of the House Committee on the Judiciary print containing legislative proposals click [HERE](#).

- For an amendment in the nature of a substitute offered by Chairman Jerrold Nadler (D-NY) click [HERE](#).

Natural Resources: For the text of the House Natural Resources Committee print containing legislative proposals click [HERE](#).

Science, Space, and Technology: For the committee print of the House Science, Space, and Technology Committee print containing legislative proposals click [HERE](#).

- For an amendment in the nature of a substitute offered by Chairwoman Eddie Bernice Johnson (D-TX) click [HERE](#).

Small Business: For the text of the House Committee on Small Business print containing legislative proposals click [HERE](#).

- For an amendment in the nature of a substitute offered by Chairwoman Nydia Velázquez (D-NY) click [HERE](#).

Transportation and Infrastructure: For the text of the House Transportation and Infrastructure Committee print containing legislative proposals click [HERE](#).

- For the amendment in nature of a substitute click [HERE](#).

Ways and Means: For a summary of the House Ways and Means Committee markup of the Build Back Better Act click [HERE](#).

- For a memorandum on the markup click [HERE](#).
- For a section-by-section summary of subtitles A-E click [HERE](#).
 - For Subtitle A on Universal Paid Family and Medical Leave click [HERE](#).
 - For Subtitle B on Retirement click [HERE](#).
 - For Subtitle C on Child Care Access and Equity click [HERE](#).
 - For Subtitle D on Trade Adjustment Assistance click [HERE](#).
 - For Subtitle E, Part 1 on Health Careers click [HERE](#). For Part 2 on Elder Justice click [HERE](#). For Part 3 on Skilled Nursing Facilities click [HERE](#). For Part 4 on Medicare Dental, Hearing, and Vision Coverage click [HERE](#).
- For a section-by-section summary of Subtitle F-J click [HERE](#).
 - For legislative recommendations relating to infrastructure financing, green energy, social safety net, and prescription drugs click [HERE](#).
 - For the estimated budgetary effects of the revenue provisions from the Joint Committee on Taxation click [HERE](#).

- For the estimated distributional effects of the revenue provisions from the Joint Committee on Taxation click [HERE](#).
- For a description of the Chairman’s Amendment in the Nature of a Substitute from the Joint Committee on Taxation click [HERE](#).
- For a summary of Subtitle F on Infrastructure from the Joint Committee on Taxation click [HERE](#).
- For a summary of Subtitle G on Green Energy from the Joint Committee on Taxation click [HERE](#).
- For a summary of Subtitle H on the Social Safety Net from the Joint Committee on Taxation click [HERE](#).
- For a summary of Subtitle J on Drug Pricing from the Joint Committee on Taxation click [HERE](#).
- For a section-by-section summary of Subtitle I click [HERE](#).
 - For legislative recommendations relating to Funding Our Priorities click [HERE](#).
- For the Joint Committee on Taxation’s estimated budgetary effects of legislative recommendations relating to infrastructure financing and community development, green energy, social safety net, responsibly funding our priorities, and drug pricing click [HERE](#).
- For the final vote results click [HERE](#).

Letters

For a letter for Senate Majority Leader Chuck Schumer on the environmental benefits of the infrastructure bill and reconciliation bill see [HERE](#).

For Senator Joe Manchin’s Opinion piece calling for a strategic pause on spending click [HERE](#).

For a letter from Rep. Stephanie Murphy (D-FL) and Rep. Henry Cuellar (D-TX) rejecting deficit spending except on climate policy click [HERE](#).

For a letter from Democrats calling for increased support for biofuels click [HERE](#).

For a letter from House Democrats supporting the Polluter Pays Climate Fund Act click [HERE](#).

For a letter from House Democrats supporting an array of international tax provisions see [HERE](#).

For a letter from Democratic governors supporting the budget reconciliation bill click [HERE](#).

For an endorsement of the environmental provisions from a coalition of environmental groups see [HERE](#).

For a letter from the United Mine Workers of America opposing the initial proposal for a Clean Electricity Standard click [HERE](#).

For a letter from America’s Power opposing the Clean Electricity Performance Program click [HERE](#).

For a letter from the National Rural Electric Cooperative Association opposing the Clean Electricity Performance Program click [HERE](#).

For a letter from the American Public Power Association opposing the Clean Electricity Performance Program click [HERE](#).

For a letter from America Electric Power opposing the Clean Electricity Performance Program click [HERE](#)

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