

House and Senate Approve Budgets Advancing Women's Priorities, Differences to Be Worked Out in Conference

On April 2, 2009, the House and Senate approved budget resolutions that, like President Obama's budget, propose investments critical to women and their families and our nation's long-term economic growth, improve tax fairness, and reduce deficits over the longer term. However, there are some significant differences between the two plans in the areas of health care reform, appropriations for domestic programs, and taxes. These differences must be resolved in conference before the House and Senate vote on a final plan.

- **Health Care Reform**

Both budgets call for comprehensive reforms of our health care system to ensure quality, affordable care for all. However, only the House resolution includes language – a “reconciliation instruction” – that would give the Senate the option of passing a health care reform bill with the support of a majority of Senators. Unless the final budget resolution includes the House's “reconciliation instruction,” a minority of Senators could block action on health care reform with a filibuster (unlimited debate).

Both budgets require that the health care reform plan not add to the deficit. However, the House budget would measure the plan's impact on the deficit over both a six- and eleven-year period, while the Senate plan would use only the ten-year measure. Measuring the plan's budgetary impact over eleven years would allow Congress to consider reform plans that add to costs initially, but produce savings over the longer term.

- **Appropriations for Domestic Programs**

Both the House and Senate budget resolutions provide for a modest overall increase, after inflation, in Fiscal Year 2010 funding for the many services funded by annual appropriations, including child care and Head Start, education, public health, family planning, job training, housing assistance, battered women's shelters, social and community services, and many others. Increased funding for these services – many of which have been frozen or cut in recent years – is essential to meet surging need and to promote an economic recovery. The House and Senate budgets both provide less funding for domestic appropriations than President Obama's budget, but the House budget provides \$8 billion more for domestic appropriations than the Senate budget. The larger amount is urgently needed to provide help to families and communities in this deep and painful recession.

- **Tax Fairness**

Both the House and Senate budgets assume the extension of parts of the 2001 and 2003 tax cuts that benefit middle- and lower-income families and allow other tax cuts especially important to

lower-income women and children, such as the expansion of the refundable Child Tax Credit that was included in the American Recovery and Reinvestment Act. At the same time, the budget assumes that provisions of the 2001 and 2003 tax cuts that benefit households with incomes above \$250,000 would be allowed to expire and that measures to close tax loopholes and improve enforcement would generate new revenues to finance investments, provide tax assistance for lower-income families, and reduce deficits over the longer term.

However, by a slim majority (51-48), the Senate approved an amendment to its budget that would further reduce the estate tax. The House budget assumes that the estate tax would be extended at its already reduced 2009 level, which excludes over 99.7 percent of estates from the tax. The Senate budget amendment would further reduce the tax for the wealthiest 0.3 percent of estates, depriving the nation of revenue that is urgently needed to fund critical priorities and reduce deficits over the long term.