



Congressional Budget Reconciliation and FY 2026 Appropriations Update

May 1, 2025

Agenda

Budget Resolution Overview

- Timeline and Actions To-Date
- Review of House Budget Reconciliation Instructions
- Review of Senate Budget Reconciliation Instructions

Budget Reconciliation Update

- Priorities of President Trump and Congressional Republicans
- Major Sticking Points
- Anticipated Timeline for Reconciliation Drafting and Passage

Advocacy Opportunities and Strategy

- Discussion of When and How to Engage

Fiscal Year 2026 Appropriations Update



Budget Reconciliation Process

How Reconciliation Gets Done

- House and Senate adopt an identical budget resolution.
- Budget resolution provides instructions to congressional committees.
- **Committees draft legislation meeting their instructions (at this stage now).**
- House and Senate pass identical omnibus reconciliation legislation.
- President signs the bill into law.

BUDGET RESOLUTION



The House and Senate convene to pass a joint **budget resolution**, broadly outlining federal revenue, spending, and debt over a specified time frame; these budget resolutions are **not subject to presidential sign-off**



BUDGET RECONCILIATION



The budget resolution includes instructions that mandate committees to create policies matching the budget; these bills can pass with a simple majority and have a 20-hour debate limit in the Senate



APPROVAL



Reconciliation measures are usually combined into **one omnibus bill** and sent to the president for approval; if vetoed, Congress must pass a new budget resolution to start over

Budget Resolution Update

House and Senate have adopted a concurrent budget resolution.

- On April 5, the Senate adopted the resolution.
- On April 10, the House adopted the resolution.
- The House is moving first on drafting reconciliation text.
- The Senate is not expected to release text until after the House votes on a reconciliation bill.



House and Senate Republicans adopted a budget framework advancing President Trump's economic agenda with over **\$5 trillion in tax cuts**, major **spending on defense** and **immigration enforcement**, and a **\$5 trillion debt limit increase**.

SENATE VOTE

51-48

vote in favor of the resolution

HOUSE VOTE

216-214

vote in favor of the resolution



This resolution is the first step toward a final bill to make permanent the tax relief we implemented in 2017 and deliver a transformational investment in our border, national, and energy security."

— Sen. John Thune (R-SD)

FRAMEWORK EXTENDS 2017 TAX CUTS



Extends 2017 Trump tax cuts from the **Tax Cuts and Jobs Act**, which are set to expire at the end of 2025



Over **\$5 trillion in total tax relief** will be implemented over the next **decade**



Includes **\$1.5 trillion in new tax cuts**, beyond the 2017 extensions



Eliminates taxes on tips, fulfilling a Trump campaign promise



Aims to make individual and small business **tax cuts permanent**

House Budget Resolution Committee Instructions

Increase the Deficit Instruction

Committee of Jurisdiction	Instruction
Ways & Means	<i>Up to +\$4.5 Trillion</i>
Judiciary	<i>Up to +\$110 Billion</i>
Armed Services	<i>Up to +\$100 Billion</i>
Homeland	<i>Up to +\$90 Billion</i>

Decrease the Deficit Instruction

Committee of Jurisdiction	Instruction
Energy & Commerce	<i>At least -\$880 Billion</i>
Education & Workforce	<i>At least -\$330 Billion</i>
Agriculture	<i>At least -\$230 Billion</i>
Oversight	<i>At least -\$50 Billion</i>



TITLE II—RECONCILIATION

SEC. 2001. RECONCILIATION IN THE HOUSE OF REPRESENTATIVES.

(a) SUBMISSIONS.—In the House of Representatives, not later than May 9, 2025, the committees named in subsection (b) and subsection (c) shall submit their recommendations on changes in laws within their jurisdictions to the Committee on the Budget of the House of Representatives to carry out this section.

(b) INSTRUCTIONS.—

(1) COMMITTEE ON AGRICULTURE.—The Committee on Agriculture shall submit changes in laws within its jurisdiction to reduce the deficit by not less than \$230,000,000,000 for the period of fiscal years 2025 through 2034.

(2) COMMITTEE ON ARMED SERVICES.—The Committee on Armed Services shall submit changes in laws within its jurisdiction that increase the deficit by not more than \$100,000,000,000 for the period of fiscal years 2025 through 2034.

(3) COMMITTEE ON EDUCATION AND WORKFORCE.—The Committee on Education and Workforce shall submit changes in laws within its jurisdiction to reduce the deficit by not less

Transportation	<i>At least -\$10 Billion</i>
Financial Services	<i>At least -\$1 Billion</i>
Natural Resources	<i>At least -\$1 Billion</i>

Senate Budget Resolution Committee Instructions

Increase the Deficit Instruction

Committee of Jurisdiction	Instruction
Finance	<i>Up to +\$1.5 Trillion</i>
Homeland Security	<i>Up to +\$175 Billion</i>
Judiciary	<i>Up to +\$175 Billion</i>
Armed Services	<i>Up to +\$150 Billion</i>
Commerce	<i>Up to +\$20 Billion</i>
Environment & Public Works	<i>Up to +\$1 Billion</i>

Decrease the Deficit Instruction

Committee of Jurisdiction	Instruction
Agriculture	<i>At least -\$1 Billion</i>
Energy & Natural Resources	<i>At least -\$1 Billion</i>
Banking	<i>At least -\$1 Billion</i>
Health, Education, Labor	<i>At least -\$1 Billion</i>



SEC. 2002. RECONCILIATION IN THE SENATE.

(a) IN GENERAL.—

(1) SUBMISSIONS.—In the Senate, not later than May 9, 2025, the committees named in paragraph (2) shall submit their recommendations to the Committee on the Budget of the Senate. Upon receiving all 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.

(2) INSTRUCTIONS.—

(A) COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY.—The Committee on Agriculture, Nutrition, and Forestry of the Senate shall report changes in laws within its jurisdiction that reduce the deficit by not less than

Budget Reconciliation Priorities

President Trump and Congressional Republican Priorities

- Tax Reform
 - Extension of expiring or expired 2017 Tax Cut and Jobs Act provisions
 - Eliminate taxes on Social Security benefits
 - Cut taxes on tips and overtime pay
 - Cut taxes on domestic manufacturing
 - Repeal of Inflation Reduction Act energy tax credits
- Non-Tax Priorities
 - Immigration enforcement and border security
 - Domestic energy production and new lease sales
 - Military readiness and spending
 - Reform federal health and financial assistance programs



Major Sticking Points

Tax Reform

- Duration of provision extensions (temporary v. permanent)
- Amend or repeal Inflation Reduction Act energy-related tax credits
- New tax cuts to include outside of 2017 TCJA extensions
 - Senate budget resolution instructions allow for cutting taxes on tips, Social Security, and overtime pay

Medicaid Reforms

- Congress is pursuing cost-saving policies to the program
- Potential reforms: work requirements, more frequent eligibility checks, capping federal allotments to states

Supplemental Nutrition Assistance Program Reforms

- Congress is pursuing cost-saving policies to the program
- Potential reforms: state cost-share, stricter work requirements, limiting future increases

Other Cost-Saving or Revenue Generation Reforms

- Changes to student loan and grant programs, changes to federal employee retirement programs, and new fees for electric vehicles



Timeline for Reconciliation Consideration

Timeline Remains Fluid

- Budget Resolution: Committees draft provisions by May 9th (non-binding)
- House: Goal to pass House version by May 26th
- Senate: Goal to pass by July 4th, but debt ceiling deadline is the “hard deadline” (estimated July-October)
- White House: Goal to pass by July 4th

House Committee Markups

- Of 11 Committees with instructions, 7 held markups this week
- Remaining 4 Committees likely to hold markups next week



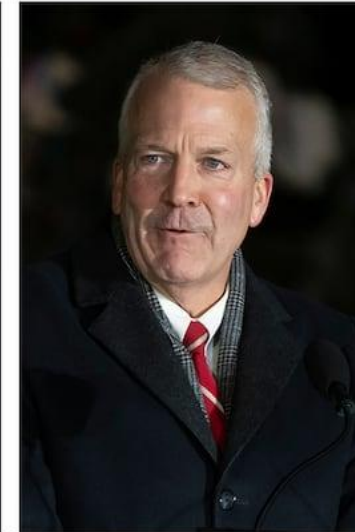
Advocacy Opportunities and Strategy

Advocacy Opportunities

- Alaska Congressional Delegation
 - Sen. Murkowski: Energy and Natural Resources Committee; Health, Education, Labor Committee
 - Sen. Sullivan: Armed Services Committee; Commerce Committee; Environment and Public Works Committee
 - Rep. Begich: Natural Resources Committee, Transportation & Infrastructure Committee
- Staff of House and Senate Committees with reconciliation instructions

Remaining Opportunities

- House's initial version of reconciliation is largely drafted
- Senate will consider the House's bill and likely make amendments to it
- Engagement on priorities should happen as soon as possible



FY 2026 Appropriations Update

FY26 President's Budget Request

- “Skinny budget” request expected soon from the Trump Administration
- Full FY26 President's Budget Request tentatively expected later this month

Appropriations Process and Timeline (condensed)

- President's Budget Request normally kicks off the appropriations process
- Member request deadlines: Most Member office deadlines have passed
- House and Senate Committee deadlines for Members to submit requests are happening now and on a rolling basis over the coming weeks
- Budget hearings will begin shortly after the President's “skinny budget” is submitted
- Markup of bills expected in June, July, and potentially September for the Senate

Advocacy and Engagement Opportunities

- AK Delegation, Appropriations Committee Staff
- Focus on engaging Congress, not the Administration on its budget request
- Budget hearings: opportunity for Members to ask priority questions
- Work with Appropriations Committee staff on requests and drafting



Questions?

If we don't get to your question, our contact info is below.

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