

## Reserve Funds in Budget Resolution Pave the Way for Future Congressional Action

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Reserve funds are misleadingly named, in that they do not set aside specific amounts of money for a desired program. Instead, they articulate a legislative goal that Congress is later expected to set about achieving. Further, the existence of a reserve fund makes it permissible for one or more committees to work on legislation that will involve more spending, while other committees come up with revenues or savings to pay for it. Such revenues or savings are necessary because each of the reserve funds are specified as “deficit neutral.” The existence of reserve funds does not guarantee that Congress will actually agree upon the legislation called for, but it is a statement of intent.

Because the House and Senate have different rules, and because it is frequently difficult to get the bodies to agree with each other, the Budget Resolution includes reserve funds that apply specifically to the House or Senate. Once actual legislation is created, the House and Senate will have to agree on the details. Listed below are some of the reserve funds related to human needs. (For the full text of the Budget Resolution, including all reserve funds: [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111\\_cong\\_reports&docid=f:hr089.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_reports&docid=f:hr089.pdf))

### Senate Reserve Funds

***Health Care:*** Allows the Senate to produce legislation for health care reform that will expand affordable coverage, improve health care quality and outcomes and contain costs, as long as it is deficit neutral over the period of 2009 – 2014.

***Invest in Clean Energy/Preserve the Environment:*** The language emphasizes investments in the development of cleaner energy sources and incentives for reducing the levels of greenhouse gases while protecting consumers.

***Higher Education:*** Calls for improving the student loan program (which could include reducing use of private lenders, as proposed by the Obama Administration), as well as increasing Pell Grants and other means of improving upon college completion rates.

***Child Nutrition and WIC:*** Allows for legislation to reauthorize child nutrition programs, such as school meals and WIC.

***Promote Economic Stabilization and Growth:*** Includes new or extended tax cuts as long as they are paid for (deficit neutral). Also allows for expanded housing and low-income renters’ assistance through the Housing Trust Fund, and for additional help for the unemployed.

***21<sup>st</sup> Century Community Learning Centers:*** Allows for increasing support for these afterschool programs (but requires a source of revenues or savings to pay for the increase).

***Improving the Well-Being of Children:*** Calls for legislation to improve the child welfare system, including foster care; provide for a home visitation program for new parents (as proposed by the President); and for changes to increase child support collections and to ensure that 100 percent of the support owed to children is paid to them.

**9/11 Health Program:** For treatment and medical monitoring of the effects of the 9/11 attacks.

**House Reserve Funds:**

**Health Care Reform:** similar in scope to the Senate reserve fund.

**College Access, Affordability, and Completion:** Accommodates changes in laws to help college students afford and complete college; does not mention the Obama plan to reduce the use of private lenders for student loans.

**Increasing Energy Independence:** Calls for tax incentives or other incentives for renewable energy development, including the creation of “green jobs,” limits and provides for reductions in greenhouse gas emissions, assists consumers, businesses, and communities in coping with the impact of climate change policies.

**Tax Relief:** General language allowing for legislation to reduce tax burdens on working families, businesses, States, or communities if paid for.

**9/11 Health Program:** Similar to Senate’s language.

**Child Nutrition:** Allows for reauthorization; similar to Senate language.

**Structural Unemployment Insurance Reforms:** Builds on the improvements contained in the economic recovery legislation to further modernize the Unemployment Insurance system.

**Child Support:** Calls for changes to increase child support collections and to ensure that 100 percent of the support owed to children is paid to them.

**Affordable Housing Trust Fund:** Allows for funding for the Trust Fund, as long as it is paid for.

**Home Visiting:** Allows for the President’s Home Visiting program for new low-income parents; must be paid for.

**Low-Income Home Energy Assistance Program (LIHEAP):** Accommodates legislation to quicken LIHEAP response to rising home energy prices; must be paid for.