



LEGISLATIVE ANALYSIS

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Bipartisan Infrastructure Talks Have Failed. Time for Budget Reconciliation.

Last Updated: May 27, 2021

The White House and Senate Republicans have met repeatedly in April and May, with the public purpose of finding a bipartisan path forward on the American Jobs Plan. After multiple counteroffers, Senate Republicans show no real movement. **For every \$35 per year that President Biden cut from his proposal, Senate Republicans only moved up \$1.**

Senate Republican offers have relied on budget gimmicks, counting baseline spending that Congress would already normally authorize in their totals and adding years of such spending to their offer rather than increasing annual funding.

The Biden Administration self-imposed a deadline of Memorial Day for signs of progress. Going into Memorial Day weekend, it's clear that no major progress has been made. **Congressional Democrats will need to move forward on their own to pass the [American Jobs Plan and American Families Plan](#).**

Senate Republicans Haven't Budgeted on Spending

Table 1. Senate Republican offers

	Nominal amount (\$ billions)	Baseline adjustment (\$ billions)	Increased spending (\$ billions)	Years	Increased spending per year (\$ billions)
April 22 GOP offer	568	393	175	5	35
May 27 GOP counteroffer ¹	928	671	257	8	37
<i>Change in GOP offer</i>	360	278	82	3	2

Senate Republicans released their [original offer](#) on April 22. While the headline number was \$568 billion, most of those funds were baseline spending that Congress would authorize normally. It only proposed \$175 billion in new spending over five years.

Senate Republicans have made two offers since, a mid-May offer with no publicized numbers and a [May 27 counteroffer](#) with new numbers. The May 27 offer on its face

¹ The May 27 counteroffer appears to keep broadband funding on a five-year timeline, but the public factsheet does not make this clear. For the purposes of these calculations, we assume a five-year timeline for broadband and eight-year timeline for everything else.

looked much bigger (\$927 billion). However, in addition to including baseline spending that Congress would normally authorize, it also extended the timeline from 5 years to 8 years to further inflate the overall number.

To truly judge the Senate Republican offers, you must adjust for both the baseline and annualize the figures as we do in Table 1. Those adjustments show that Senate Republicans have only moved up \$2 billion per year in increased spending.

The Biden Administration Has Made Asymmetric Concessions

Table 2. White House cuts to the American Jobs Plan

	Increased spending (\$ billions)	Years	Increased spending per year (\$ billions)
American Jobs Plan	2,288	8	286
White House counteroffer	1,736	8	217
<i>Change in White House offer</i>	-552	0	-69

The White House made a [counteroffer](#) to Senate Republicans that cut more than \$550 billion from the original [American Jobs Plan](#), bringing the total size from \$2.3 trillion to \$1.7 trillion. Table 2 shows this cut in total and by year.

While the annual gap between Senate Republicans and the White House narrowed by about \$70 billion, **97 percent of that closing in the gap was on the part of the Biden Administration.**

In total, the nominal gap between Senate Republicans and the White House reduced from \$2.1 trillion to \$1.5 trillion. Much of that difference reflects how **Senate Republicans completely ignored the American Jobs Plan proposals on home- and community-based care, housing, education, power infrastructure, manufacturing, research, workforce development, and other areas.** Looking just at the areas included in both proposals (including roads, bridges, transit, rail, airports, and water infrastructure), the latest Senate Republican offer is still about half of what the White House has proposed.

Table 3. White House vs. Senate Republican offers on comparable programs

	Increased spending (\$ billions)	Years	Increased spending per year (\$ billions)
American Jobs Plan	597	8	75
April 22 GOP offer	175	5	35
<i>Difference in first offers</i>	-422	-3	-40

	Increased spending (\$ billions)	Years	Increased spending per year (\$ billions)
White House counteroffer	523	8	65
May 27 GOP counteroffer	257	8	37
<i>Difference in latest offers</i>	-266	0	-28

On the revenue side, the Biden Administration has detailed tax increases on the corporations and wealthy individuals to fund the American Jobs Plan and American Families Plan. Senate Republicans remain opposed to those revenue proposals.

Time for Budget Reconciliation

After weeks of negotiations, the White House has little to show from talks with Senate Republicans. There is no obvious path forward for a package anywhere close to the ambition of the American Jobs Plan and American Families Plan to move through the Senate with Republican support. Instead, to move a package with only the support of Democrats, Congress will need to use the [budget reconciliation process](#).

With the release of the President’s Budget on May 28, the Budget Committees should have most of the external information they need to draft budget resolutions to kick off the process. Internally, Congressional leaders will need to finalize which committees will get reconciliation instructions and what budget caps those committees will have to work within.

If Congress moves quickly on a budget resolution, it can still keep to House Speaker Nancy Pelosi’s stated timeline of moving a bill by [July 4](#) and Senate Majority Leader Chuck Schumer’s plans to consider a bill in [July](#).