



What's in the FY2025 Senate Budget Resolution

By Andrew Lautz, Rachel Snyderman

Feb 13, 2025

SHARE

The Senate Budget Committee introduced a *budget resolution* [<https://www.budget.senate.gov/chairman/newsroom/press/chairman-graham-unveils-fy-2025-budget-resolution-to-secure-the-border-revitalize-our-military-unleash-american-energy-production-and-begin-the-process-of-restoring-fiscal-sanity>] for fiscal year (FY) 2025 and passed it out of committee on an 11-10 party line vote on February 12. If approved by both the House and Senate, it will unlock a reconciliation process that enables major tax-and-spending legislation to fast track and bypass the Senate's 60-vote filibuster rule with a simple majority.

Republicans hope to leverage the reconciliation process this year to extend and expand on *expiring tax cuts* [<https://bipartisanpolicy.org/tax/>], increase spending on border security and defense, reform U.S. energy policies, and cut federal spending in several parts of the budget. While the reconciliation bill's ultimate deficit impact is yet to be determined, the topline instructions in the Senate allow for an up to \$515 billion deficit increase over 10 years. Due to overlapping instructions between two committees, the *reported topline* [<https://rollcall.com/2025/02/07/graham-unveils-budget-blueprint-ahead-of-markup-next-week/>] is an up to **\$342 billion deficit increase**. Senate Republicans

expect to cover the border security, energy, and defense components of their agenda in this reconciliation bill, with tax policy to come in a second bill later in the year.

What is a budget resolution?

A budget resolution is a document that outlines desired spending, revenue, debt, and deficit levels for the federal government over a specified period (often 10 years). It is the first step Congress is supposed to take in order to pass annual spending bills ahead of the October 1 start of the fiscal year; it also enables the reconciliation process. Under the 1974 Congressional Budget and Impoundment Control Act (CBA), Congress is supposed to complete action on the budget resolution by *April 15* [[https://uscode.house.gov/view.xhtml?req=\(title:2%20section:631%20edition:prelim\)%20OR%20\(granuleid:USC-prelim-title2-section631\)&f=treesort&edition=prelim&num=0&jumpTo=true](https://uscode.house.gov/view.xhtml?req=(title:2%20section:631%20edition:prelim)%20OR%20(granuleid:USC-prelim-title2-section631)&f=treesort&edition=prelim&num=0&jumpTo=true)], though it *often fails to do so* [<https://crsreports.congress.gov/product/pdf/R/R48284#page=15>].

What is reconciliation?

Budget reconciliation is a legislative procedure established by the CBA. Reconciliation allows for expedited consideration of certain and specified changes in law to align federal spending revenue, and the debt limit with agreed-upon budget targets. A reconciliation bill can avoid the Senate's 60-vote filibuster threshold and provides lawmakers the chance to pass legislation with a simple majority vote. Read more about

reconciliation *here* [<https://bipartisanpolicy.org/explainer/budget-reconciliation-simplified/>].

What's in the FY2025 Senate budget resolution?

Title I: Recommended Levels and Amounts

This title specifies target levels for overall federal revenues, spending, deficits, and debt. It also specifies target federal spending levels across 20 major functional categories, such as national defense, health, and transportation.

The CBA requires each of these items to be included in a budget resolution.

Title II: Reconciliation

Congress is not required to include reconciliation instructions in the budget resolution, but doing so unlocks the fast-track process.

The FY2025 Senate budget resolution includes directives to some, but not all, of the committees in the House and Senate. This title requires committees with instructions to report back legislation achieving either a *floor* of deficit reduction or a *ceiling* of deficit increases. Committees may then propose tax-and-spending changes to the

programs and policies under their legislative jurisdiction that clear their deficit reduction floor or stay under their deficit increase ceiling.

The instructions in the Senate are:

Table 1. Reconciliation Instructions in the Senate May Allow for \$515 Billion in Deficit Increases, Though That Topline May Be Higher or Lower Based on Congressional Action

Senate Committee	Reconciliation Instruction (billions of dollars; negative = deficit reduction, positive = deficit increase)
Agriculture	-\$1
Energy & Natural Resources	-\$1
Environment & Public Works	-\$1
Finance	-\$1
Foreign Relations	-\$1
Commerce	\$20
Armed Services	\$150
Homeland Security & Governmental Affairs (HSGAC)	\$175* (Instructions overlap with Judiciary)
Judiciary	\$175* (Instructions overlap with HSGAC)
Total	\$515

A budget resolution from one chamber of Congress can include reconciliation instructions to committees in the other chamber, but does not have to. For comparison, the FY2025 Senate budget resolution's instructions in the House are:

Table 2. Reconciliation Instructions in the House May Allow for \$516 Billion in Deficit Increases, Though That Topline May Be Higher or Lower Based on

Congressional Action

House Committee	Reconciliation Instruction (billions of dollars; negative = deficit reduction, positive = deficit increase)
Agriculture	-\$1
Energy & Commerce	-\$1
Education & Workforce	-\$1
Natural Resources	-\$1
Transportation & Infrastructure	\$20
Armed Services	\$150
Homeland	\$175* (Instructions overlap with Judiciary)
Judiciary	\$175* (Instructions overlap with Homeland)
Total	\$516

The topline instruction in the Senate allows for up to \$515 billion in deficit increases in the Senate. Due to overlapping instructions between two committees over immigration, though, the *reported topline* [<https://rollcall.com/2025/02/07/graham-unveils-budget-blueprint-ahead-of-markup-next-week/>] is an up to **\$342 billion deficit increase**. Senate Budget Chair Lindsey Graham (R-SC) said this new spending will be *fully paid for* [<https://rollcall.com/2025/02/07/graham-unveils-budget-blueprint-ahead-of-markup-next-week/#:~:text=The%20new%20funding%20would%20be%20fully%20paid%2Dfor%2C>], though the reconciliation instructions do not require it.

The budget resolution appears to rely on a current law baseline. This assumes *major provisions* [<https://bipartisanpolicy.org/explainer/a-quick-guide-to-major-tcja-provisions/>] of the Tax Cuts and Jobs Act of 2017 (TCJA) expire on December 31, 2025, as scheduled, and cost \$4 trillion-plus to extend—rather than a current policy baseline that assumes TCJA provisions continue and cost \$0 to extend. Learn more about

budget baselines *here* [<https://bipartisanpolicy.org/explainer/the-2025-tax-debate-all-about-that-baseline/>].

The tables that accompany the budget resolution project *\$9 trillion* [https://www.budget.senate.gov/imo/media/doc/fy_2025_budget_title_i_and_summary_tables.pdf#page=2] in additional but unspecified spending savings.

BPC has *multiple resources* [<https://bipartisanpolicy.org/fiscal/>] assessing the impact of a growing national debt, including consequences for households, the economy, and national security.

Title III: Reserve Funds

Reserve funds allow the chairs of the House and Senate Budget Committees to revise targets in the budget resolution for a specified purpose. The FY2025 Senate budget resolution includes a reserve fund allowing for reconciliation legislation, which is standard boilerplate language in budget resolutions used to unlock the reconciliation process.

The House or Senate may add reserve funds by amending the budget resolution before it advances out of each chamber. The Senate sometimes adds deficit-neutral reserve funds (DNRFs) in a “*vote-a-rama*” [<https://crsreports.congress.gov/product/pdf/R/R48284#page=11>]” on a budget resolution (so named because there is no limit on amendments and voting can last hours). These reserve funds and DNRFs often serve as general policy statements rather than specific legislative proposals, and can be used by the minority party to compel the majority party into politically challenging votes.

Title IV: Other Matters

This title contains a variety of enforcement provisions that are standard in budget resolutions that unlock the reconciliation process. These include:

A section stating that the Budget Committee will determine changes to new spending and revenues in the budget resolution;

A section stating that the spending, revenue, and deficit totals may be adjusted to account for changes in budgetary concepts; and

A section stating that the spending, revenue, and deficit totals may be adjusted to account for updates in the Congressional Budget Office's baseline.

See similar language as this title in the FY2018 *House budget resolution* [<https://www.congress.gov/115/bills/hconres71/BILLS-115hconres71enr.pdf>] that helped unlock reconciliation for TCJA and the FY2021 *Senate budget resolution* [<https://www.congress.gov/117/bills/sconres5/BILLS-117sconres5enr.pdf>] that unlocked reconciliation for the American Rescue Plan.

Support Research Like This

With your support, BPC can continue to fund important research like this by combining the best ideas from both parties to promote health, security, and opportunity for all Americans.

Give Now

Related Articles

NEW

EXPLAINER 2 DAYS AGO

Tax Glossary

<https://bipartisanpolicy.org/explainer/tax-glossary/>

NEW

EXPLAINER 6 DAYS AGO

The 2025 Tax Debate: Charitable Giving

<https://bipartisanpolicy.org/explainer/the-2025-tax-debate-charitable-giving/>

NEW