

Reconciliation 101

The budget reconciliation process is a unique legislative tool in that it enables expedited consideration in the Senate of legislation that affects revenue, direct spending, and/or the federal debt limit. In addition to establishing topline goals for the upcoming fiscal year, the budget resolution can include reconciliation instructions. These instructions are intended to implement the necessary changes to existing laws to achieve the goals set forth in the budget.

Timeline for Committee Action and Floor Consideration

1. **First: *Adoption of a Budget Resolution*** – The Budget Committee is responsible for drafting the budget resolution which can instruct the relevant committees to create legislation to meet budgetary targets.
 - Congress must first include **budget reconciliation directives in the budget resolution to unlock the reconciliation process**. Congress cannot access reconciliation without these “instructions.”
2. **Next: *Committee Action*** – Authorizing committees who received instructions in the budget are tasked with developing specific legislative language for reconciliation recommendations within their jurisdiction. (e.g., Ways and Means, Energy and Commerce, Judiciary)
 - After receiving reconciliation instructions, the relevant **authorizing committees develop and report legislative recommendations** that would change laws within their respective jurisdictions **related to direct spending, revenue, and/or the debt limit**. These recommendations are then submitted to the Budget Committee for inclusion in the reconciliation bill.
 - The Budget Committee then bundles the recommendations from the authorizing committees into the reconciliation bill and ensures compliance with the targets set forth in the budget resolution.
3. **Then: *Floor Consideration*** – The Rules Committee determines the parameters for how the reconciliation bill may be debated and amended in the House before it is brought to the floor for a vote.
 - In the Senate, reconciliation bills are **considered privileged and cannot be filibustered, and debate is limited** to 20 hrs.
 - Reconciliation bills are **passed by a simple majority in both chambers**.
4. **Last: *Presidential Approval*** – Unlike the budget resolution, reconciliation bills must be **signed into law by the President**.

Reconciliation in the 119th Congress

Reconciliation is the central tool for Congress to work with the Trump administration to fulfill the mandate from the American people. With tight margins, the ability to pass major legislation by a simple majority is crucial to passing necessary policies, including:

- Border Security
- Removing Government Waste and Regulatory Burdens
- Extending President Trump’s Historic Tax Cuts
- American Energy Dominance
- Reducing Inflation