

## insights

TYPES NOT MAPPED YET March 01, 2021 | TTR not mapped yet | Christopher T. Murray

# Budget Reconciliation

**A process used to simplify and expedite the passage of budget-related legislation.**

### It's All About The Money

To advance legislation, the Senate typically requires 60 votes, thanks to the infamous rule known as the [filibuster](#). But there is a way to pass budget-specific legislation with a simple majority using a process called [budget reconciliation](#). The Congressional Budget Act of 1974 created reconciliation as a way to provide Congress with more procedural flexibility. Since then, reconciliation has been used 25 times. The procedure itself has also been amended through the years, most famously to include the [Byrd Rule](#), which requires budget reconciliation to be germane to the budget process and prohibits "extraneous" amendments.

### Come Together

The reconciliation [process](#) begins when the House and Senate Budget Committees propose a budget resolution that includes reconciliation directives. These directives lay out which other committees should report legislation, the timeline for the report, and rules for the budgetary changes. Individual committees then develop legislation under their respective jurisdictions, which is then combined into one budget reconciliation bill.

Though budget reconciliation streamlines a bill's passage and limits Senate debate to 20 hours, senators can still offer unlimited amendments to the resolution. This can lead to a marathon session known as a [vote-a-rama](#), where Senators can propose amendments that force their colleagues on the other side of the aisle to go on record on difficult policy issues. We saw this [last month](#) when the Senate conducted an all-night vote-a-rama before adopting the budget resolution 51-50, with Vice President Harris casting the tie-breaking vote as the sun was about to rise over the Capitol.

### Let's Get This Party Started

Budget reconciliation featured prominently in the complex legislative journey for the [Affordable Care Act](#): first in getting the legislation across the finish line after the death of Senator Ted Kennedy (D-MA) and later in failed attempts to repeal the law. Reconciliation was also used in 2017 to pass the [Tax Cuts and Jobs Act](#), which cleared the Senate with 51 votes.

Though President Biden initially signaled his preference to pass his \$1.9 trillion COVID V relief bill with bipartisan support, the political realities of Washington quickly set in, and he is now on board with using budget reconciliation to enact the legislation. Because Democrats have such a narrow majority - less than 10 votes in the House and a tied Senate - all wings of the Democratic coalition need to be on board to proceed. Late last week, the Senate Parliamentarian ruled that an increase of the minimum wage to \$15 per hour was out of order for reconciliation and would not be included in the package, a major setback for progressives.

Democrats hope to pass and send this COVID V [budget resolution](#) to President Biden by March 14. Should they so choose, Democrats will then have two more [chances](#) to use budget reconciliation in the 117th Congress.



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