# U.S. Chamber of Commerce



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#### **Reconciliation process explainer**

With single party control of the government starting in 2025, Republicans will use the reconciliation process to push their agenda through Congress. Tom "Wick" Wickham, the former House Parliamentarian now with the U.S. Chamber's Government Affairs team, answers questions about the process.

#### What is "reconciliation"?

Reconciliation is a multi-step process with special rules that lowers the normal threshold for votes in the Senate from 60 votes to 51 votes.

## How often has the process been used and what types of laws have been enacted?

From 1980 to present, Congress has passed 27 reconciliation bills, 23 of which were signed into law. Recent notable uses of the reconciliation process include the <u>Tax Cuts and Jobs Act</u> (2017), the <u>American Rescue Plan</u> <u>Act</u> (2021), the <u>Inflation Reduction Act</u> (2022) and some parts of the <u>Affordable Care Act</u> (2010).

## What are the steps involved in the budget reconciliation process generally?

The two Houses of Congress must first adopt identical concurrent resolutions on the budget. That concurrent resolution gives policy instructions to the committees in both Houses. The committees follow those instructions and submit recommendations to their Committees on the Budget. The Budget Committees report bills to their full bodies. At that point, the two Houses start to consider their individual bills featuring a multivote process in the Senate known as "vote-a-rama" and restrictive rules that limit what can be included in the bill. Eventually, the two Houses must pass an identical bill that is sent to the President.

# How long does the reconciliation process generally take?

The process can take several months to run its course. For example, the FY 2017 budget resolution for ACA repeal was completed in 10 days but the final failed vote in the Senate on the bill occurred in July 2017. By contrast, the TCJA took only three months with the budget resolution adopted in October and enactment in December of 2017. Similarly, the FY 2021 American Rescue Plan process only took approximately 3 months.

#### What are the special rules that apply to a reconciliation bill?

One rule is that the Senate reconciliation bill is subject to "vote-a-rama" in the Senate where there can be unlimited amendments lasting many days. Second, the process is governed by the "Byrd Rule" in the Senate which prohibits "extraneous" matter in the bill which historically has resulted in policy changes in past bills.

# What are some of the past casualties of the Byrd Rule?

Matters determined to be "extraneous" by the Senate Parliamentarian have included minimum wage (2021), immigration reform (2021), restrictions on Planned Parenthood funds (2017), and repeal of the individual mandate (2015).

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