

# RECONCILIATION PROCESS

## What It Does & Why It's Used

H.R. 1, also known as the One Big Beautiful Budget Act (OBBBA), is a reconciliation bill. This process is different from the typical appropriations process, and there are some key distinctions to understand:



### **Mandatory Spending- Used For Taxes, Spending, Debt**

Reconciliation is used to make changes to mandatory spending (such as Social Security, Medicare, Medicaid, and other entitlement program ), taxes, and the debt limit. It does not address discretionary spending (which funds agencies like NIH, CDC, and FDA). Although Social Security is part of mandatory spending it is protected from cuts through reconciliation.



### **Simple Majority- Only Needs 51 Votes**

Reconciliation allows legislation to pass the Senate with a simple majority (51 votes), bypassing the usual requirement of 60 votes. It's often used when the majority party lacks bipartisan support to clear that higher threshold.



### **Filibuster Protection- Debate Limited To 20 Hours**

Normally, Senators can use a filibuster to block legislation indefinitely. With reconciliation, debate is limited to 20 hours, meaning it cannot be filibustered.



### **Byrd Rule- Applies in The Senate**

In the Senate, the Byrd Rule limits what can be included in reconciliation bills. Provisions must have a direct impact on federal spending or revenue. Proposals that are purely social or regulatory in nature are removed.

If the Senate's version of the reconciliation bill differs significantly from the House version, it must return to the House for approval. Only identical bills can be sent to the President for signature.