

## Reconciliation

Soon after assuming office, President Biden announced a \$1.9 trillion dollar spending package, part of the [American Rescue Plan](#), reflecting his administration's strategy to combat the pandemic. Since January 20, much discussion has ensued about the president's legislative proposal, including bipartisan talks with some Republican senators, and the realities of getting a spending package this large through Congress. Despite all the talking that is taking place around this proposed legislation, in the end, will it matter? Let's think about this nearly two trillion dollar question.

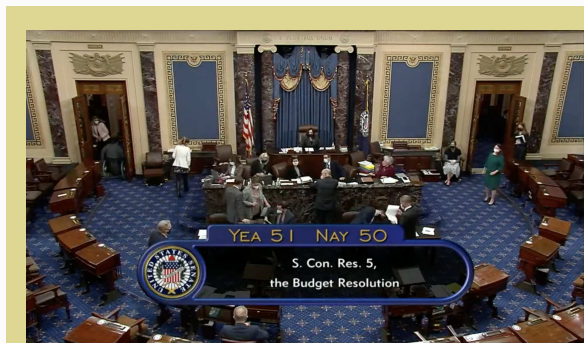


Remember, under the U.S. Constitution ([Article I](#), Sections 2 and 3), each congressional chamber has the ability to determine its own operating rules. At the same time, recall that political parties are **not** mentioned in the Constitution; they provide a way to organize and advocate, but their existence impacts the ways in which Congress implements rules derived from the Constitution. When a single political party controls the legislative and executive branches, those rules will be put to work to advance that party's legislative agenda, in this case the Democrats.

Further, the Constitution ([Article 1](#), Section 8 Clause 1) also grants Congress the power to tax and spend, so the combination of controlling the nation's purse strings and having the ability to determine their own operating rules, poises the majority party to advance controversial taxing and spending legislation without the minority party's help.

In 1974, Congress passed the [Congressional Budget Act](#). Under this Act, a rarely used [process](#), known as [reconciliation](#), was created. Through this, Congress can quickly consider taxing and spending legislation with simple majority votes in the House and Senate. This is important because under reconciliation, the Senate is prevented from using its filibuster rule, which could be used to slow or derail large and controversial budget legislation. Consequently, the use of reconciliation gives the majority party the advantage over any objections the minority party may have on these types of taxing and spending initiatives.

Given the importance the president has placed on this piece of legislation, Senate Majority Leader Chuck Schumer took the necessary procedural steps to ensure the use of reconciliation if it was necessary to do so to pass the American Rescue Plan, and indeed it was. In the early morning hours of February 5, 2021, the Senate voted to pass the American Rescue Plan by a 51 to 50 vote, with Vice President Kamala Harris [breaking the tie](#).



**To Think and To Do:** President George Washington, in his [Farewell Address](#), warned against the perils of political parties, fearing that they prevented cooperation and successful operation of the government. Based on this, how might President Washington view the budget reconciliation process?

**Learn MORE** about reconciliation. Free registration may be required.

- [Introduction to Budget "Reconciliation"](#), from Center on Budget and Policy Priorities
- [Congressional Budget and Impoundment Control Act of 1974](#), from U.S House of Representatives
- [The Byrd Rule](#), from Committee on Rules - U.S. House of Representatives

