



The Budget Reconciliation Process and the Statutory Limit on the Debt

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The [budget reconciliation process](#) is an optional, expedited legislative process provided under the Congressional Budget Act of 1974, as amended (P.L. 93-344; the Budget Act). It consists of several different stages, beginning with the adoption of the budget resolution. The purpose of the reconciliation process is to allow Congress to use special procedures when considering legislation that would bring existing budgetary laws into compliance with the fiscal policies that Congress establishes in the annual budget resolution.

If Congress intends to use this process, reconciliation directives (also referred to as reconciliation instructions) must be included in the annual budget resolution. These directives trigger the second stage of the process by instructing individual committees to develop and report legislation that would change laws within their respective jurisdictions related to direct spending, revenue, or the debt limit.

Once a specified committee develops legislation in response to a reconciliation directive, that legislation is eligible to be considered under expedited procedures in both the House and the Senate. These procedures are especially important in the Senate, as they include a 20-hour limit on debate time and therefore mean that reconciliation legislation does not require the support of three-fifths of all Senators to bring debate to a close.

The Debt Limit in Reconciliation Legislation

The Budget Act specifies that a budget resolution may include reconciliation directives instructing a committee to report legislation that would (1) change levels of direct spending, (2) change levels of revenue, and (3) change the amount of the statutory limit on the public debt.

Specifically, in relation to the statutory limit on the public debt, [Section 310\(a\) of the Budget Act](#) reads in part:

Sec. 310(a) INCLUSION OF RECONCILIATION DIRECTIVES IN CONCURRENT RESOLUTIONS ON THE BUDGET.—A concurrent resolution on the budget for any fiscal year, to the extent necessary to effectuate the provisions and requirements of such resolution, shall ... (3) specify the amounts by which the statutory limit on the public debt is to be changed and direct the committee having jurisdiction to recommend such change.

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Budget reconciliation legislation has previously included legislative text increasing the statutory [debt limit](#), most recently in 1997. The four instances in which this occurred are presented in the table below.

Table I. Reconciliation Legislation That Increased the Statutory Debt Limit

Enactment Date (Congress)	Relevant Budget Resolution (Fiscal Year)	Reconciliation Bill	Section
October 21, 1986 (99 th Congress)	S.Con.Res. 120 (FY 1987)	Omnibus Budget Reconciliation Act of 1986 (P.L. 99-509)	SEC. 8201. TEMPORARY INCREASE IN PUBLIC DEBT LIMIT.
November 5, 1990 (101 st Congress)	H.Con.Res. 310 (FY 1991)	Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508)	SEC. 11901. INCREASE IN PUBLIC DEBT LIMIT.
August 10, 1993 (103 rd Congress)	H.Con.Res. 64 (FY 1994)	Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66)	SEC. 13411. INCREASE IN PUBLIC DEBT LIMIT.
August 5, 1997 (105 th Congress)	H.Con.Res. 84 (FY 1998)	Balanced Budget Act of 1997 (P.L. 105-33)	SEC. 5701. INCREASE IN PUBLIC DEBT LIMIT.

Source: CRS.

Restrictions on Debt Limit Language in Reconciliation Legislation

Because the reconciliation process is intended to expedite the ability of the House and Senate to implement the budget policies adopted in the budget resolution, not all policy options or legislative language may be included. The House and Senate have adopted rules and other rulemaking provisions that place restrictions on what may be included in a reconciliation bill. In one instance specifically related to the public debt limit, the budget resolution for FY2016 included a temporary prohibition in the Senate against considering a reconciliation bill for FY2016 if it included an increase in the public debt limit.

Although the Budget Act generally allows an increase in the debt limit to be included in budget reconciliation legislation, there have been no rulings made on points of order raised in the House or Senate with respect to language in budget reconciliation legislation concerning the debt limit. Therefore, there are no precedents in either chamber related to interpreting the applicability of any prohibitions in budgetary rules specifically concerning the debt limit and reconciliation. Consequently, any limits on the policy options or legislative language that may be used to implement Section 310(a)(3) are unclear. The sole definitive source for interpreting House and Senate rules is the Office of the Parliamentarian for each respective chamber.

For example, questions have arisen as to whether legislation suspending the debt limit would be appropriate for inclusion in reconciliation. When [addressing the statutory debt limit in recent decades](#), Congress has either increased the debt limit to a fixed dollar amount or suspended the debt limit for a specified period of time. In more recent years, it has been the practice of Congress to suspend the debt limit rather than increase it to a specific level. Since early 2013, eight bills have suspended the statutory debt limit, and none has been enacted to increase the debt limit.

Because the language of Section 310(a)(3) specifies only that reconciliation directives may direct changing the “amount” of the debt limit, it could be argued that it would not be permitted either to include a reconciliation directive in a budget resolution that specified a suspension of the debt limit or for

subsequent reconciliation legislation to provide for a suspension. On the other hand, it might be allowed because suspending the debt limit and raising the debt limit might be considered equivalent as policy options. A lack of precedents on this matter, however, means that it is not clear whether reconciliation directives can specify that the debt limit be suspended rather than increased, and it is not clear whether a suspension of the debt limit would be permitted in a budget reconciliation bill.

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