



# The Budget Reconciliation Process and the Statutory Limit on the Debt

May 25, 2021

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.

**Congressional Research Service**

<https://crsreports.congress.gov>

IN11681



**The House of Representatives and Senate Explained**

# Congressional Procedure

**A Practical Guide to the Legislative  
Process in the U.S. Congress**

**Richard A. Arenberg**

Foreword by Alan S. Frumin

 **TheCapitolNet**

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**

<b>Enactment Date (Congress)</b>	<b>Relevant Budget Resolution (Fiscal Year)</b>	<b>Reconciliation Bill</b>	<b>Section</b>
October 21, 1986 (99 <sup>th</sup> 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 <sup>st</sup> 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 <sup>rd</sup> 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 <sup>th</sup> 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.

## Author Information

Megan S. Lynch  
Specialist on Congress and the Legislative Process

James V. Saturno  
Specialist on Congress and the Legislative Process

---

## Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.

# Learn how Capitol Hill really works

**All of our programs and any combination of their topics can be tailored for custom training for your organization.**

For more than 40 years, TheCapitol.Net and its predecessor, Congressional Quarterly Executive Conferences, have been teaching professionals from government, military, business, and NGOs about the dynamics and operations of the legislative and executive branches and how to work with them.

Our training, on-site and online, and publications include congressional operations, legislative and budget process, communication and advocacy, media and public relations, research, testifying before Congress, legislative drafting, critical thinking and writing, and more.

- **Diverse Client Base**—We have tailored hundreds of custom on-site and online training programs for Congress, numerous agencies in all federal departments, the military, law firms, lobbying firms, unions, think tanks and NGOs, foreign delegations, associations and corporations, delivering exceptional insight into how Washington works.™
- **Experienced Program Design and Delivery**—We have designed and delivered hundreds of custom programs covering congressional/legislative operations, budget process, media training, writing skills, legislative drafting, advocacy, research, testifying before Congress, grassroots, and more.
- **Professional Materials**—We provide training materials and publications that show how Washington works. Our publications are designed both as course materials and as invaluable reference tools.
- **Large Team of Experienced Faculty**—More than 150 faculty members provide independent subject matter expertise. Each program is designed using the best faculty member for each session.
- **Non-Partisan**—TheCapitol.Net is non-partisan.
- **GSA Schedule**—TheCapitol.Net is on the GSA Schedule for custom training: GSA Contract GS02F0192X.

Please see our Capability Statement on our web site at [TCNCS.com](http://TCNCS.com).

Custom training programs are designed to meet your educational and training goals, each led by independent subject-matter experts best qualified to help you reach your educational objectives and align with your audience.

As part of your custom program, we can also provide online venue, classroom space, breaks and meals, receptions, tours, and online registration and individual attendee billing services.

For more information about custom on-site training for your organization, please see our web site: [TCNCustom.com](http://TCNCustom.com) or call us: 202-678-1600, ext 115.



Non-partisan training and publications that show how Washington works.™

PO Box 25706, Alexandria, VA 22313-5706  
202-678-1600 • [www.thecapitol.net](http://www.thecapitol.net)



TheCapitol.Net is on the GSA Schedule for custom training.  
GSA Contract GS02F0192X

