*Budget reconciliation is a powerful legislative tool that allows Congress to make expedited changes to federal spending, revenues, and the debt limit—all without the threat of a Senate filibuster. For advocates in the disability community, reconciliation is especially important because it can lead to major changes in Medicaid and other critical entitlement programs.*

***Read on to learn how reconciliation works, where we are in the process, and why staying engaged now can make all the difference.***

**What Is Budget Reconciliation?**

Budget reconciliation was established in 1974 under the Congressional Budget and Impoundment Control Act. The process allows Congress to bring certain spending and revenue laws in line with its annual budget resolution, and it has been used to pass some of the most consequential legislation of the past 50 years.

**It can be used to address:**

* Mandatory (entitlement) spending, such as **Medicaid**, **Medicare**, and **SNAP**
* Revenue changes (e.g., tax cuts or increases)
* The debt ceiling

**\*Important Exception**: Reconciliation cannot be used to change Social Security.

*Why Is Reconciliation So Powerful?*

* **Bypasses the Senate filibuster**: Reconciliation bills only require a **simple majority (51 votes)** in the Senate—not 60 votes that is normally required for legislation in the Senate.
* **Streamlined debate**: Debate time is limited, and the process is fast-tracked compared to regular legislation.

*How Does the Reconciliation Process Work?*

* **Congress Adopts a Budget Resolution**  
  The House and Senate Budget Committees each develop a budget resolution outlining overall spending, revenue, and debt targets. If adopted by both chambers, the resolution may include **reconciliation instructions** to specific committees.
* **Committees Draft Legislative Changes**  
  The instructed committees (e.g., Energy & Commerce, Ways & Means) draft legislation to meet the savings or spending targets. These drafts are consolidated by the Budget Committees into a single **reconciliation bill**.
* **Chamber Consideration and Passage**  
  Both the House and Senate must pass identical versions of the reconciliation bill. The bill proceeds under special rules in the Senate that limit debate and block the filibuster.
* **Presidential Action**  
  Once passed by both chambers, the bill goes to the President, who can sign or veto it like any other legislation.

*Why Does Reconciliation Matter in 2025?*

Reconciliation is one of the most impactful tools Congress can use to change federal programs, including potentially making changes to **Medicaid**, which is the primary funder of **community-based services** people with intellectual and developmental disabilities (I/DD).

Because reconciliation **bypasses the Senate filibuster and passes with just 51 votes**, it’s often used to advance major—and sometimes controversial—policy changes. In short, this process allows Congress to pass bills with just a simple majority, meaning they do not have to be bipartisan. Accordingly, the reconciliation process is a tool used when one party is in control of both chambers of Congress.

Reconciliation instructions include mandates to cut spending or reduce deficits, and this year, the House’s resolution requires the Energy and Commerce Committee to come up with at least **$880 billion in cuts that would mainly target** **Medicaid.** However, right now, we are only at the first step of the process: passing a budget resolution. That means we are still in the early stages, no policy decisions have been finalized, and there is time for advocates to weigh in. Whether harmful proposals ultimately move forward depends in part on our advocacy at this stage. We encourage you to continue to respond to our action alerts and check out our ANCOR Amplifier at <https://www.ancor.org/amplifier/>.