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Overview of the Congressional Budget Process

Bill Heniff Jr.
Analyst in American National Government
Government and Finance Division

The congressional budget process, in the broadest sense, consists of the consideration and adoption of spending, revenue, and debt-limit legislation within the framework of an annual concurrent resolution on the budget. Under the Congressional Budget Act (CBA) of 1974 (Titles I-IX of P.L. 93-344, 2 U.S.C. 601-688), the House and Senate Budget Committees develop the budget resolution, assisted by the nonpartisan Congressional Budget Office. See [http://www.crs.gov/products/guides/guidehome.shtml] for more information on budget process.

Congress begins its budget process once the President submits his budget; the President is required by law to submit a comprehensive federal budget no later than the first Monday in February. Congress is not bound by the President's budget, and through its budget process may adopt budgetary legislation reflecting different priorities than the President's.

Congressional Budget Resolution

The budget resolution, the centerpiece of the congressional budget process, sets forth aggregate spending and revenue levels, and functional levels of spending, for the upcoming fiscal year and at least the following four fiscal years. As a concurrent resolution, it is not presented to the President for his signature, and, thus, does not become law. By setting forth a comprehensive statement of congressional priorities on budgetary matters, however, the budget resolution provides a framework for subsequent legislative action on the budget during each congressional session.

The House and Senate Budget Committees develop the annual budget resolution, after receiving testimony from executive branch officials, Members of Congress, and the public, and receiving "views and estimates" statements from other congressional committees with jurisdiction over spending and revenues.

The House and Senate consider budget resolutions under expedited procedures. The CBA sets April 15 as a target date for completion of the annual budget resolution. No spending, revenue, or debt-limit legislation for the upcoming fiscal year may be considered before a budget resolution has been adopted unless a waiver of the rules is

granted. However, the House may consider annual appropriations bills without a waiver after May 15 if a budget resolution has not been adopted by then.

Once a budget resolution has been adopted, Congress may enforce its provisions through a complex set of points of order. For example, any legislation, or amendment, that would cause the aggregate levels to be violated is prohibited from being considered. Further, the total budget authority and outlays set forth in the budget resolution are allocated to each House and Senate committee that has jurisdiction over specific spending legislation. Any legislation, or amendment, that would cause these committee allocations to be exceeded is prohibited. Finally, the House and Senate Appropriations Committees subdivide their allocations among their respective 13 subcommittees. A point of order may be raised against any appropriations act, or amendment, that would cause these subdivisions to be exceeded. Congress also may use reconciliation legislation (discussed below) to enforce direct spending, revenue, and debt-limit provisions of a budget resolution.

Subsequent Budgetary Legislation

About one-third of all federal spending is considered *discretionary* and is provided through the annual appropriations process. The House and Senate Appropriations Committees have jurisdiction over appropriations measures. The 13 subcommittees of each Appropriations Committee are each responsible for one of the regular appropriations acts. The regular appropriations acts provide budget authority for the next fiscal year. If the regular appropriations acts are not completed by October 1, Congress must adopt a continuing resolution providing stop-gap funding.

Revenues and the remaining federal spending referred to as *direct spending* (which funds mostly entitlements) are determined largely by existing law. No action is necessary by Congress for them to continue, although Congress usually modifies some revenue laws and direct spending programs each session. Congress may include reconciliation directives in a budget resolution in order to initiate necessary changes in revenue, direct spending, and debt-limit laws. Reconciliation directives instruct one or more committees to recommend legislative language necessary to achieve the levels of revenues, direct spending, and debt limit agreed to in the budget resolution. The legislative language recommended by committees is packaged by the House and Senate Budget Committees "without substantive revision" into one or more reconciliation bills. In some instances, reconciliation instructions may direct a committee to report its legislative recommendations directly to its house. Reconciliation legislation is considered under expedited procedures that limit debate and place restrictions on amendments.

Congress also may adopt revenue, direct spending, and debt-limit measures individually. The substantive provisions of such legislation must comply with the budget policies set forth in the budget resolution. Any freestanding budgetary legislation is subject to the points of order mentioned above.