

# The Congressional Budget Process

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**Budget Resolution**

Where does it come from?

The Congressional Budget and Impoundment Control Act of 1974 established the House and Senate Budget Committees, and provided for the annual adoption of a concurrent resolution on the budget. In the thirty years since the bill was enacted at least one budget resolution has been adopted every year except FY 1999 and FY 2002.

What is the purpose?

The budget resolution sets forth total spending and revenue levels, and spending by broad functional categories for the upcoming fiscal year, and the next four fiscal years. Congress is not bound to the President’s budget. Rather it is a starting point for the Congressional budget process.

What is the Budget Resolution Process?

- House and Senate Budget Committees hear testimony from administration officials, members of congress, and experts.
- Separate authorizing committees submit to the Budget Committees their “views and estimates” for programs under their jurisdiction as well as an estimate of budget authority in upcoming authorization bills. (see authorization process)
- The House and Senate Budget Committees mark up their respective budget resolutions. The Senate committee must report by April 1<sup>st</sup> and the House committee proceeds concurrently with the Senate.
- The House and Senate debate their respective budget resolutions. Time is limited to 50 hours of debate in the Senate and the House is limited to time set forth by the Rules Committee.
- Assuming both chambers pass their budget resolutions, a conference committee is formed to iron out details and form one resolution.

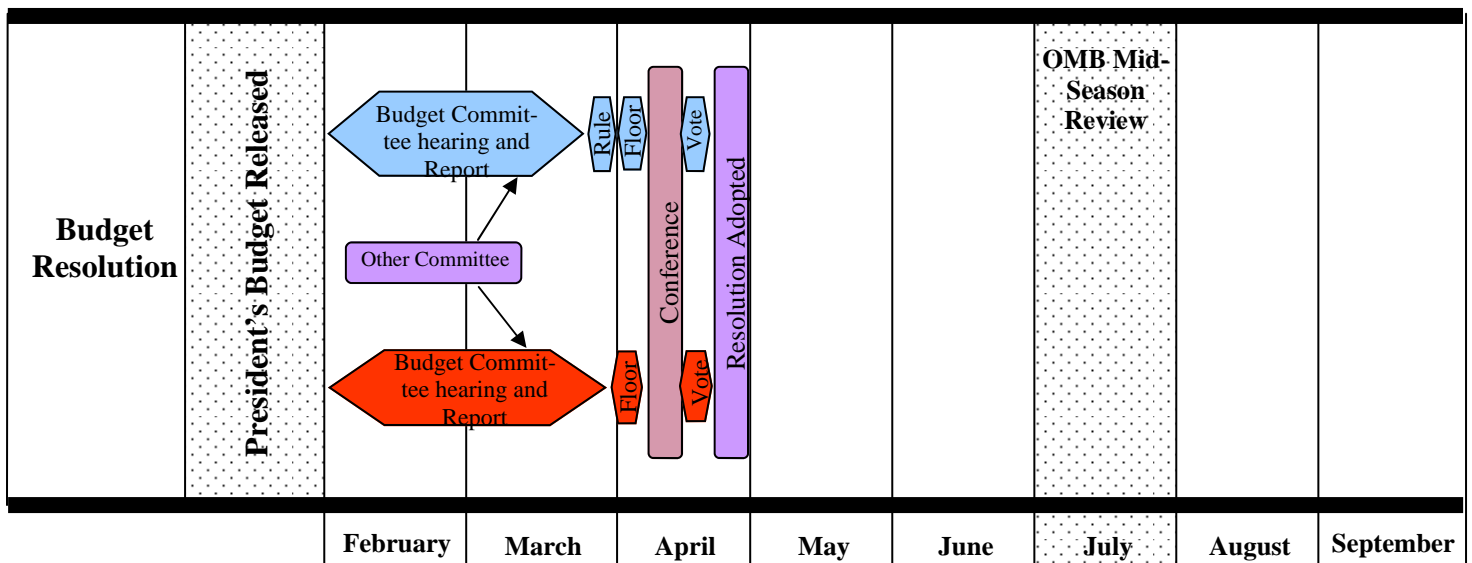
After the conferees have come to agreement, both houses proceed to a final vote. Unlike bills, budget resolutions are in the form of concurrent resolutions, so they do not go to the President for final approval.

What happens if a budget resolution is not passed?

If the final budget resolution is not passed by May 15<sup>th</sup> of that given year, the House may begin consideration of annual appropriations bills.

Overall

The budget resolution plays a major role in the overall annual budget process. The blueprint that it provides is the framework for subsequent legislation during each congressional session as well as imposing internal budget discipline through enforcement mechanisms.



**Authorization & Appropriation**  
**They are Two Different Processes**

Authorization and Appropriations are often confused in all arenas. However, the distinction between these terms is important to understand.

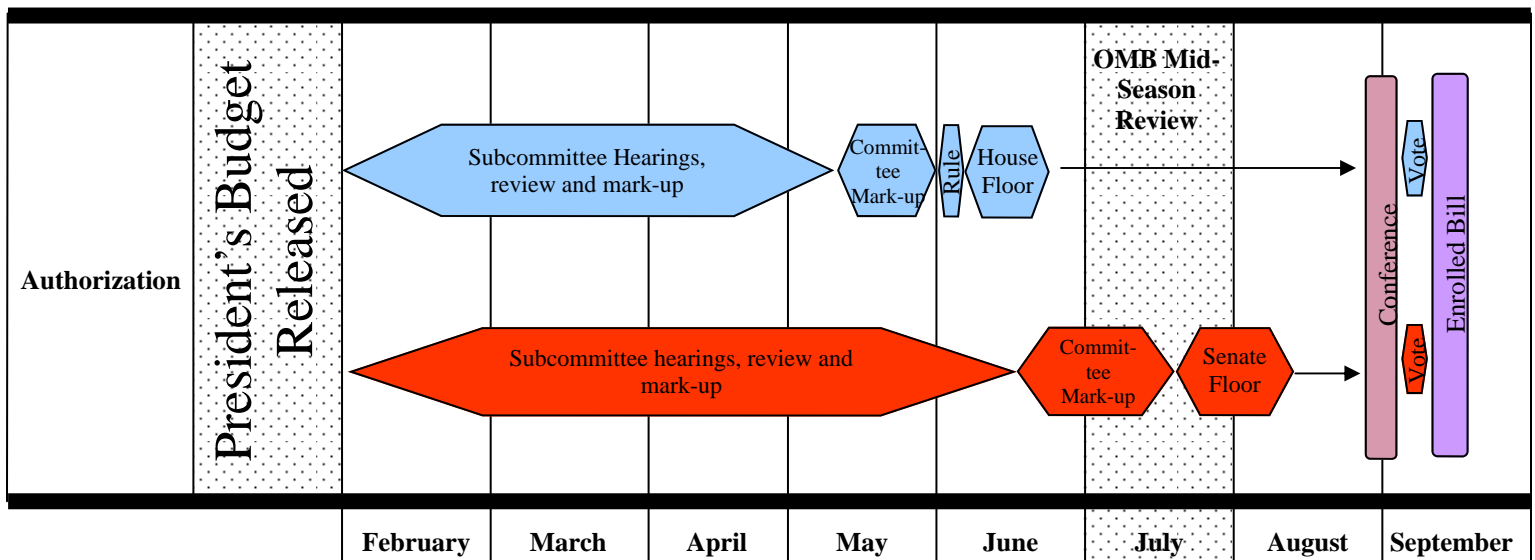
**Authorization**

Authorizing legislation is that "which authorizes the appropriation of funds to implement" laws that create agencies, programs or government functions. It does not give a government agency permission to cut a check or enter into a contract. Rather, its purpose is to set parameters for government agencies and programs.

Authorizing legislation sets policies and funding limits for agencies and programs. Appropriations legislation is what a department or agency needs before it can cut a check or sign a contract.

In theory, authorizing legislation is taken up in the authorizing committees of Congress. The two Appropriations Committees consider appropriations bills. By and large, appropriations bills are passed annually, authorizing legislation is usually set for two or more years.

One of the dynamics of the appropriations process concerns the interaction between the authorizing and appropriations committees. There are celebrated instances where appropriators contradict the intent of the authorizing committee, such as the denial of F-22 aircraft funding by the House Appropriations Committee in 1999. Indeed, there is a temptation for appropriators to fill the gap with policy riders where there is no underlying authorization bill.



**Appropriation**

The appropriations process stems from Congress' "power of the purse," referring to the power of Congress to appropriate funds and to prescribe the conditions governing the use of those funds. This power is derived from specific provisions of the Constitution. Article I, Section 8 empowers the Congress to "pay the Debts and provide for the common Defense and general Welfare of the United States."

Regardless of the nature of the federal payment (e.g. salaries, payments promised under a contract, payments ordered by a court, etc.) a federal agency may not make a payment from the Treasury unless Congress has made the funds available via an appropriation.

**When does the Appropriations process begin?**

It is commonly assumed that the appropriations process begins when the appropriations subcommittees begin their markups of the 13 appropriations bills. However, the appropriations process actually begins during the budget resolution process.

Once a final budget measure is adopted by Congress, the House and Senate Appropriations Committees know their 302(a) allocations (total discretionary budget authority, or how much money is available to distribute). Then the two appropriations committees begin the process of dividing this funding to distribute to their 13 subcommittees. The funding allocated to the 13 subcommittees is commonly called 302(b) allocations.

After receiving their 302(b) allocations, the appropriations subcommittees can begin the process of drafting and reporting their annual spending measures to the full Appropriations Committees.

After the full Appropriations Committees report an appropriations bill, the measure goes through the normal legislative process (floor consideration, conferencing, etc.) in Congress before it reaches the president's desk.

What exactly is an appropriations bill?

Generally, there are three types of appropriations measures which run on a fiscal year from October 1 to September 30. These three measures are:

- Regular Appropriations Bills - The 13 appropriations bills reported from the 13 appropriations subcommittees. These measures provide most of the discretionary funding for a fiscal year, and are supposed to be enacted by October 1st of each year.
- Continuing Resolutions - If the 13 regular appropriations bills are not enacted by October 1st, Congress must adopt a continuing resolution to keep the federal government running until the regular appropriations bills are enacted.
- Supplemental Appropriations Bills – Supplementals are enacted when regular appropriations are insufficient to finance government activities. The most recent example of a supplemental spending bill enacted into law was H.R. 3289, the \$87.5 billion FY 2004 Iraq/Afghanistan emergency supplemental.

Generally, Congress acts on 13 regular appropriations bills. These appropriations bills provide discretionary funding for activities like national defense, education, anti-crime programs, and general government operations such as the administration of federal agencies.

Because of recurring delays in the appropriations process, Congress typically passes one or more continuing resolutions each year. The scope and duration of these measures depend on the status of the regular appropriations bills and the degree of budgetary conflict within Congress and/or between the president and Congress.

In some years, a continuing appropriations measure has been converted into an omnibus spending bill for enactment of regular appropriations bills. An omnibus bill is formed by combining two or more appropriations bills into one large bill, seemingly cutting down on the time it would take to go through each of the bills individually.

