



Down the Rabbit Hole: The Congressional Budget Process

John Cannan
Faculty Scholarship Librarian &
Legal Research Instructor
Villanova University Charles Widger
School of Law, Law Library

Overview

- ▶ What's to come:
 - Budget background
 - Congressional budget resolution
 - Appropriations
 - Reconciliation
- ▶ Apologies:
 - Very general discussion
 - Wordy slides
- ▶ Note: Both parties use the same procedures



Legislative Procedure: "Short Form"



Referred to Committee



- Hearing
- Mark up

Reported to Floor

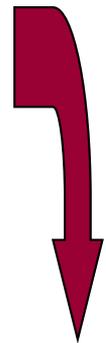


- Debate
- Amendments
- Vote
- Engrossed

Reported to Other Chamber

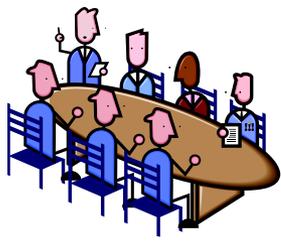


Referred to Committee



Bill introduced

Reported to Floor



Referred to Conference Committee

- Conference:**
- Chamber differences resolved

Reported to Floor



- Debate
- Amendments
- Vote
- Engrossed



- Hearing
- Mark up

- Debate
- Vote
- Enrolled

Presented to President



Congressional Budget Process: Broken

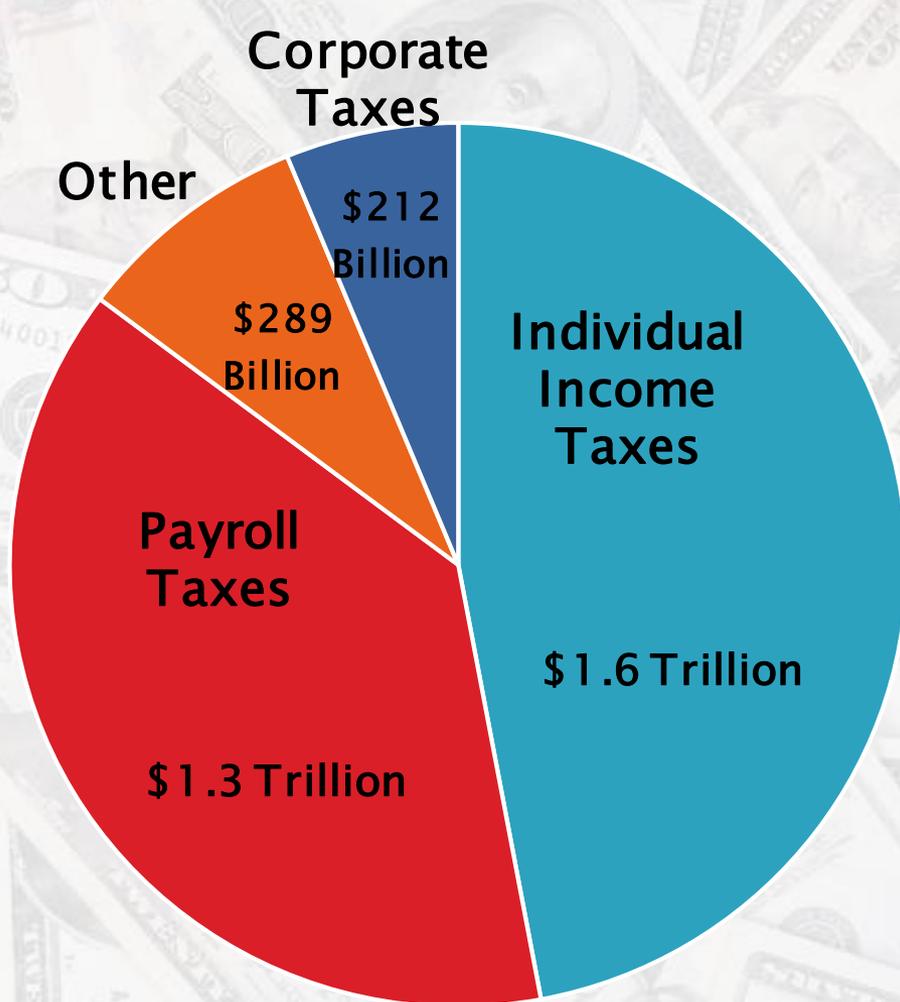


The Budget: What Is It?

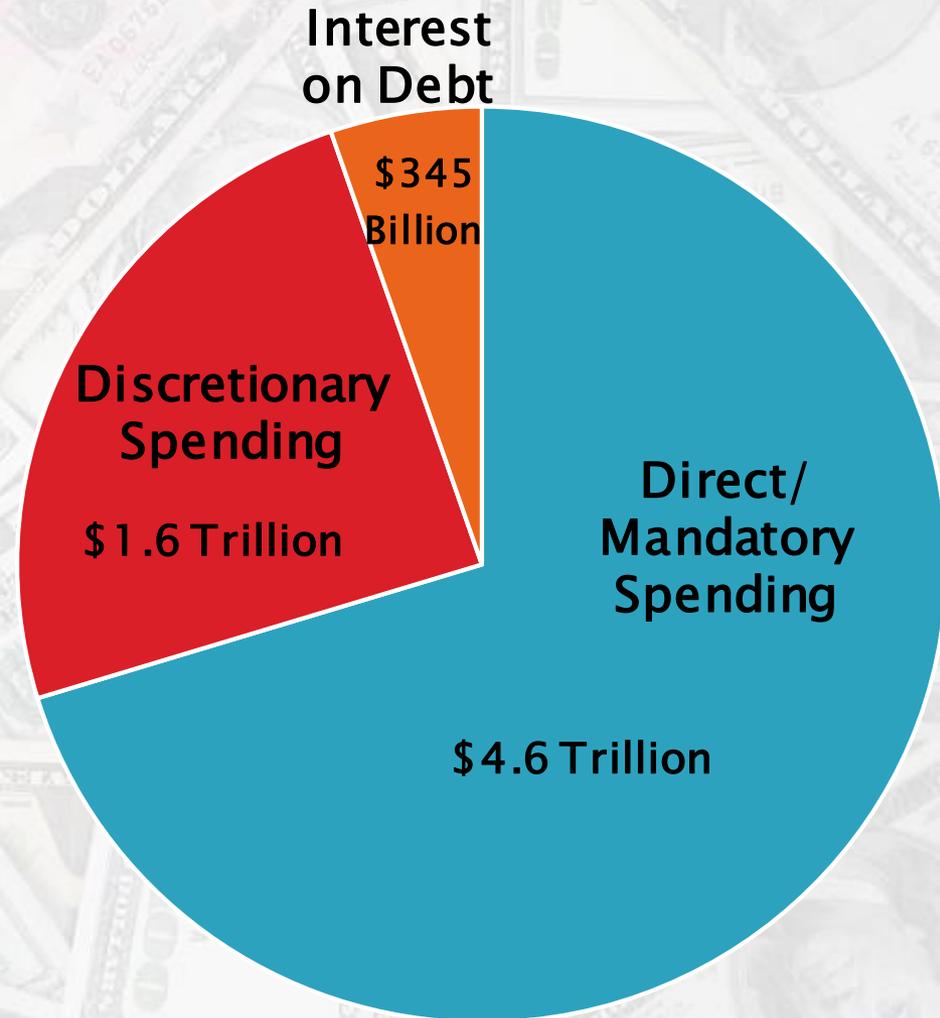


- ▶ Budget: Statement of anticipated revenues & spending during specific period
 - Period: Fiscal Year, Oct. 1 – Sept 30
- ▶ Budget authority: Statutory **authority** to make financial **obligations** resulting in **outlays** of federal funds
 - Authority/authorization: Permission to make obligation
 - Obligation: Commitment to pay for goods & services
 - Outlay: Satisfaction of obligation
- ▶ Budgetary authority conferred through process[es]
 - Executive
 - Legislative

Federal Budget FY2020

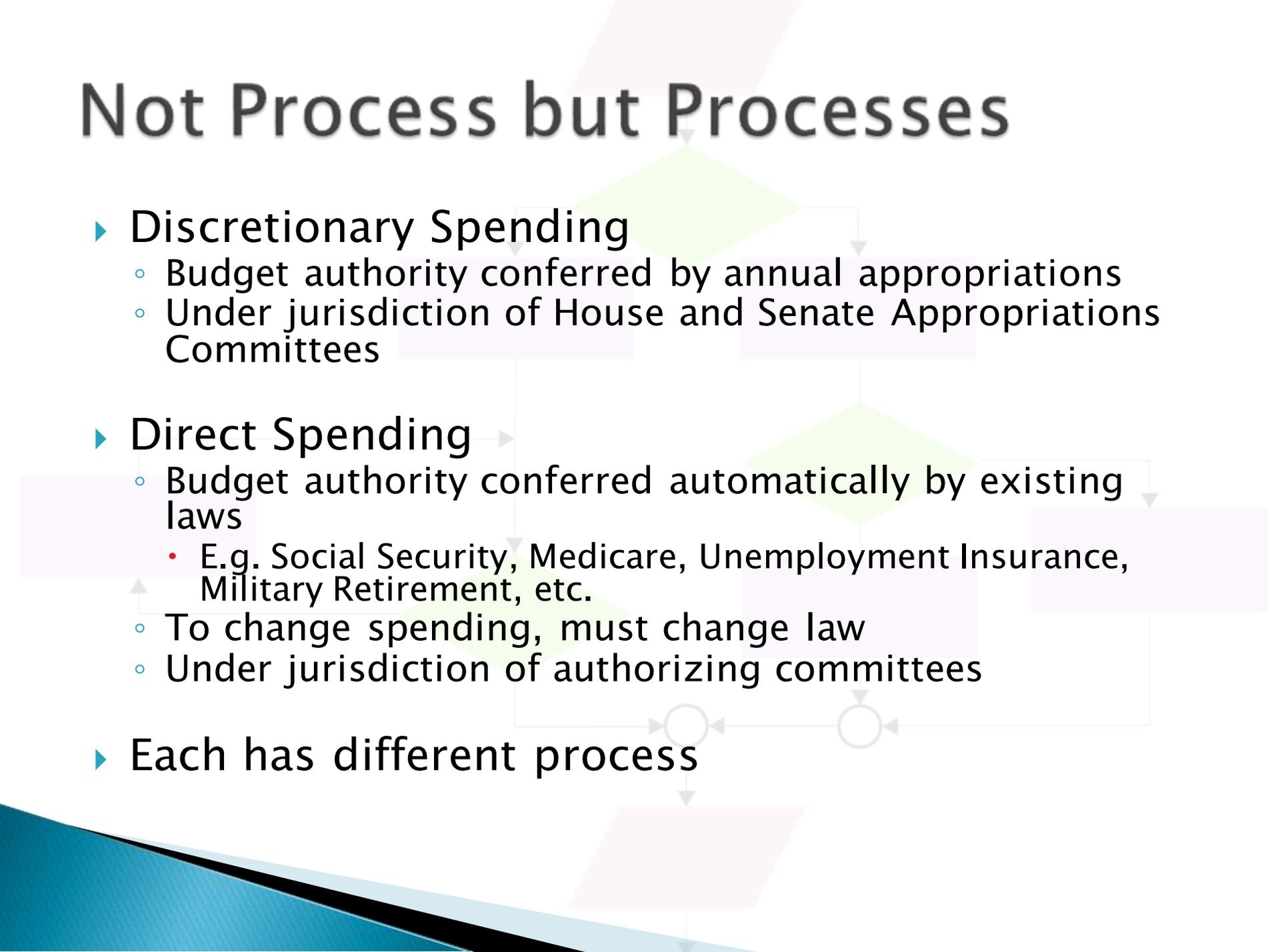


Revenues: \$3.4 Trillion



Outlays: \$6.6 Trillion

Not Process but Processes



- ▶ **Discretionary Spending**
 - Budget authority conferred by annual appropriations
 - Under jurisdiction of House and Senate Appropriations Committees
- ▶ **Direct Spending**
 - Budget authority conferred automatically by existing laws
 - E.g. Social Security, Medicare, Unemployment Insurance, Military Retirement, etc.
 - To change spending, must change law
 - Under jurisdiction of authorizing committees
- ▶ Each has different process

Sources of Process: Constitution

- ▶ “The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts....” U.S. Const. Art I, § 8
- ▶ “All Bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills. U.S. Const. Art I, § 7
- ▶ “No Money shall be drawn from the Treasury, but in Consequence of **Appropriations** made by Law....” U.S. Const. Art I, § 9, cl. 7

Sources of Process

- ▶ Statutes:
 - Congressional Budget and Impoundment Control Act of 1974 (CBA)
 - Regulation of president, e.g. Budget and Accounting Act of 1921
 - Regulation of Congress, e.g. spending controls
- ▶ Congressional rules, especially
 - House: Rules Committee rule setting rules for debate
 - Senate: Cloture, 60 votes to close debate
- ▶ Executive action, e.g. President's budget & veto



President's Budget & Congressional Budget Resolution



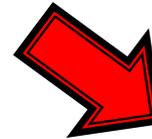


House Budget Committee reports budget resolution

Passing Congressional Budget Resolution



House floor

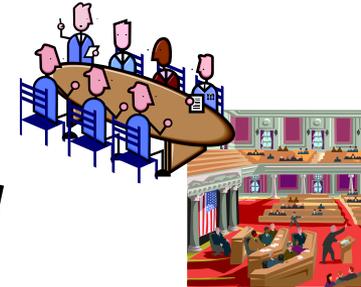
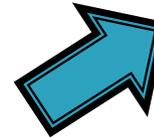


Agree

President submits budget



Senate floor



Senate Budget Committee reports budget resolution



President Submits Budget

- ▶ **Deadline:** First Monday in February (often missed)
- ▶ **Contains:**
 - Statutorily mandated information
 - Estimated revenue & expenditures
 - Public debt
 - Program information
 - Whatever the executive wants
- ▶ **Significance:**
 - Expression of President's goals
 - Non-binding
 - Begins process

WHITE HOUSE
WASHINGTON

Question

- ▶ What's wrong with this headline?

“Biden to Release Full Budget Proposal on May 27”--The Hill, May 13, 2021



Congress Passes Budget Resolution

- ▶ **Deadline: April 15 (often missed)**
- ▶ **What is it?**
 - Blueprint for appropriations
 - Concurrent resolution, not law
 - Enforced through points of order
- ▶ **Contains:**
 - Budgetary authority & outlays
 - Total
 - 20 functional categories, e.g. National Defense, Transportation, etc.
 - Revenues
 - Surplus & deficits
 - Public Debt
 - Reconciliation instructions (more later)

Congress Passes Budget Resolution

- ▶ Budget Committees consider information from:
 - President's budget
 - Hearings
 - Congressional Budget Office (CBO) analysis
 - Committees with jurisdiction
- ▶ Budget Committees report resolutions to their chambers
 - Resolution text
 - Report
 - Maybe committee print
 - Policy recommendations

Congress Passes Budget Resolution

- ▶ House consideration
 - CBA procedure, BUT
 - Usually considered through special rule
- ▶ Senate consideration
 - CBA procedure
 - Debate limit: 50 hours (no filibuster)
 - Amendments must be germane
- ▶ Chambers must agree
 - Conference Committee
 - Debate limit in Senate: 10 hours

Question

- ▶ What's wrong with this headline?

“Congress Approves Budget, Paving Way for Biden’s COVID-19 Relief Package”—NPR, Feb. 5, 2021





The Appropriations Process

Discretionary Spending



Types of Laws in Process

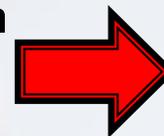
- ▶ **Authorization:**
 - Law granting authority for program/agency to
 - Exist—For period or continually
 - Receive appropriations & suggest how much
 - Under jurisdiction of authorizing committees
- ▶ **Appropriation: Provides budget authority**
 - Made in 12 appropriations bills
 - Cover different subject areas, e.g. Defense, Homeland Security, Congress
 - Under jurisdiction of Appropriations Committees
- ▶ **Why? Division of policy and spending decisions**



House Appropriation Subcommittees draft appropriations bills



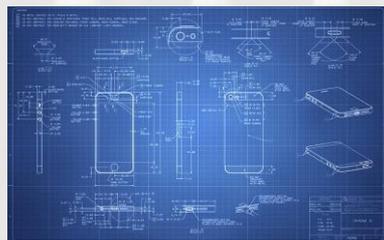
House Appropriation Committees draft appropriations bills



House floor



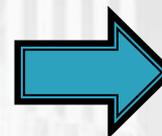
Passing Appropriations Bills



Budget Resolution



Senate Appropriation Committees draft appropriations bills



Senate floor



President signs



Agree



House Appropriation Subcommittees draft appropriations bills

Congress Completes Appropriations Bills

- ▶ Deadlines
 - House Passage: June 30 (Often missed)
 - Full Passage: October 1 (Often missed)
- ▶ Appropriations Subcommittees consider & report bills to full committee
 - Divide allocation given by Appropriations Committees
- ▶ Full Appropriations Committees consider & report bills

Congress Passes Appropriations Bills

- ▶ House consideration
 - CBA, rules & precedents but...
 - Usually considered through special rule
- ▶ Senate consideration
 - CBA, rules & precedents
 - Enforce points of order, e.g. exceeding budget authority in budget resolution
 - Waivable, e.g. 3/5ths majority or unanimous consent
- ▶ Must pass same version
 - E.g. Conference committee

Question

- ▶ In what year did Congress last pass all 12 appropriations bills on time?



When Problems Arise

- ▶ Omnibus/consolidated appropriations act:
Several appropriations bills combined into one
- ▶ Continuing resolution: Provides budget authority
 - For certain period
 - At certain rate
- ▶ Supplemental resolution: Additional budget authority
 - E.g. for emergencies

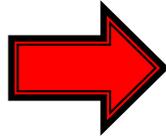


The Reconciliation Process

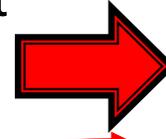




House
authorizing
committee[s]
draft bill[s]

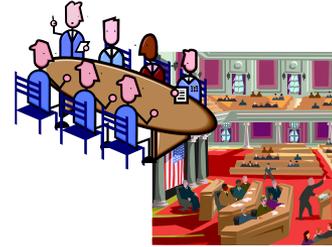


House Budget
Committee
bundles bills



House
floor

Single bill



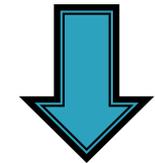
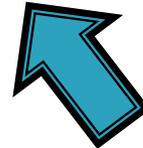
President
signs

Passing
Reconciliation
Bill

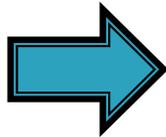
Agree



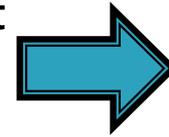
Single bill



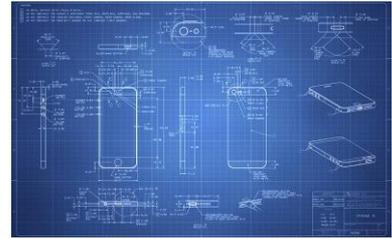
Senate
authorizing
committee[s]
draft bill[s]



Senate Budget
Committee
bundles bills



Senate
floor



Budget Resolution

Reconciliation

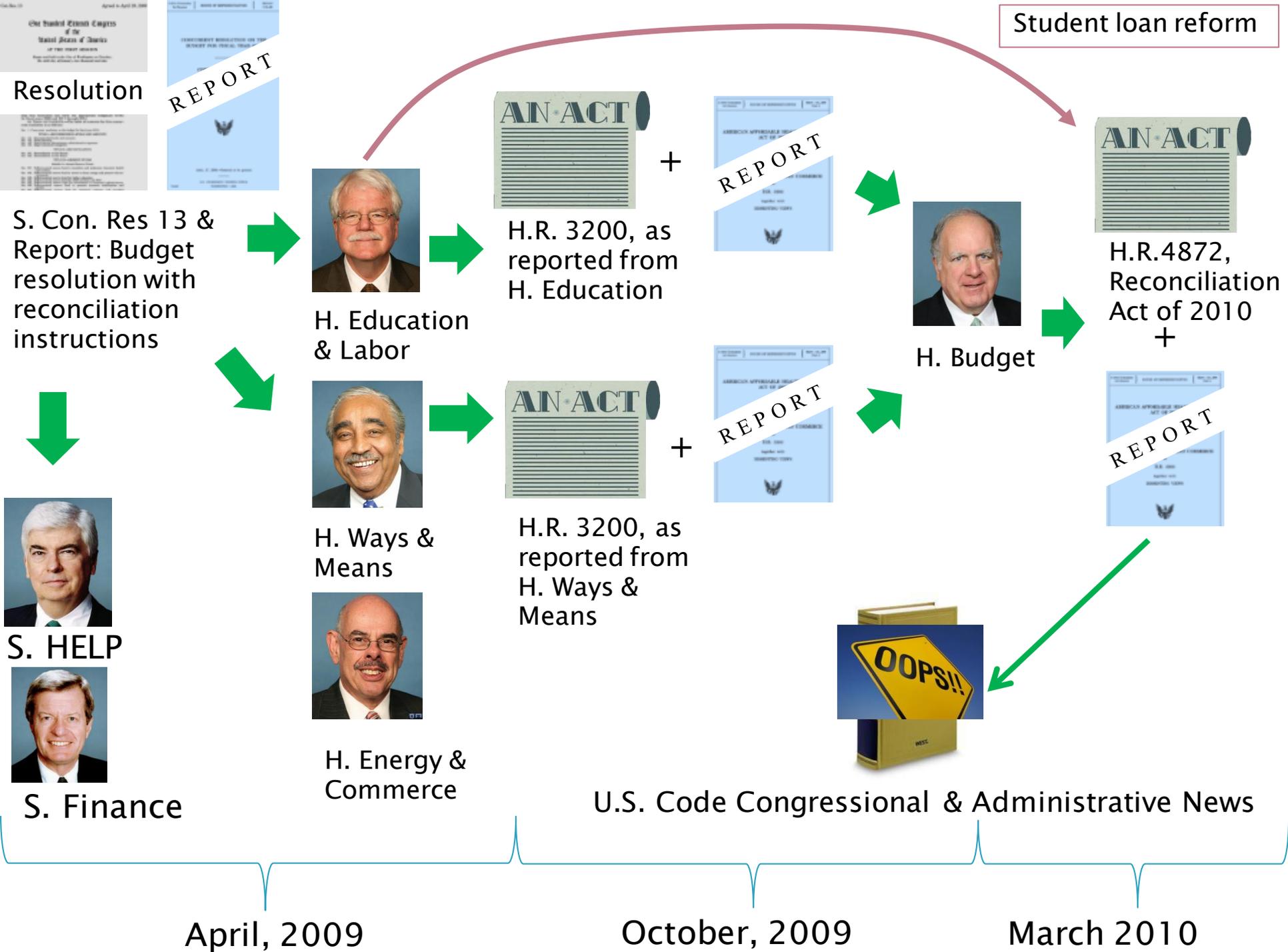
- ▶ Procedure to make direct spending conform with budget resolution
 - Optional
 - Expedited
- ▶ Intended to curb deficit not create policy and cut taxes
- ▶ Today mostly used to create policy and cut taxes

Instructions to Authorizing Committees

- ▶ Find savings or increase deficit:
 - By changing laws under jurisdiction
 - By certain amount
 - Over a certain time
 - By deadline (not enforced)
- ▶ Report to
 - Chamber if one committee instructed
 - Budget Committee if more than one
 - Bundles into omnibus
 - Makes no changes

Floor Consideration

- ▶ House: Special rule
- ▶ Senate:
 - Privileged, non-debatable
 - Debate limited to 20 hours
 - Cannot contain unrelated provisions (Byrd Rule)
 - Must be related to budget resolution instructions
 - Amendments must be germane
- ▶ Differences resolved in conference committee
- ▶ Final vote
 - House: Special rule
 - Senate: Privileged & limited debate





Pelosi



Obama



Reid

Technical amendments to text on loans

H. Res. 1225



Senate Floor



Health Care & Education Reconciliation Act of 2010



House Floor



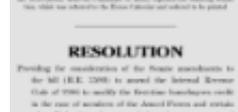
H.R. 4872, Reconciliation Act of 2010



H. Rules



RULES RESOLUTION



H. Res. 1203

+



H.R. 3590, Patient Protection & Affordable Care Act, as engrossed by Senate



Obama

- Two amendments to H.R. 4872 (considered adopted):
1. Amendment in nature of substitute
 2. Amendment to amendment



Do You Want to Know More?

- ▶ Congressional Research Service
- ▶ Congressional Budget Office
- ▶ Law Library of Congress: Appropriations and Budget Resources
- ▶ GPO:
 - Compendium of Laws and Rules of the Congressional Budget Process
 - House and Senate rules and precedents
- ▶ A Glossary of Terms Used in the Federal Budget Process (GAO)

Questions

