

Understanding the Congressional Budget Process Process & Challenges

Alliance for Health Policy

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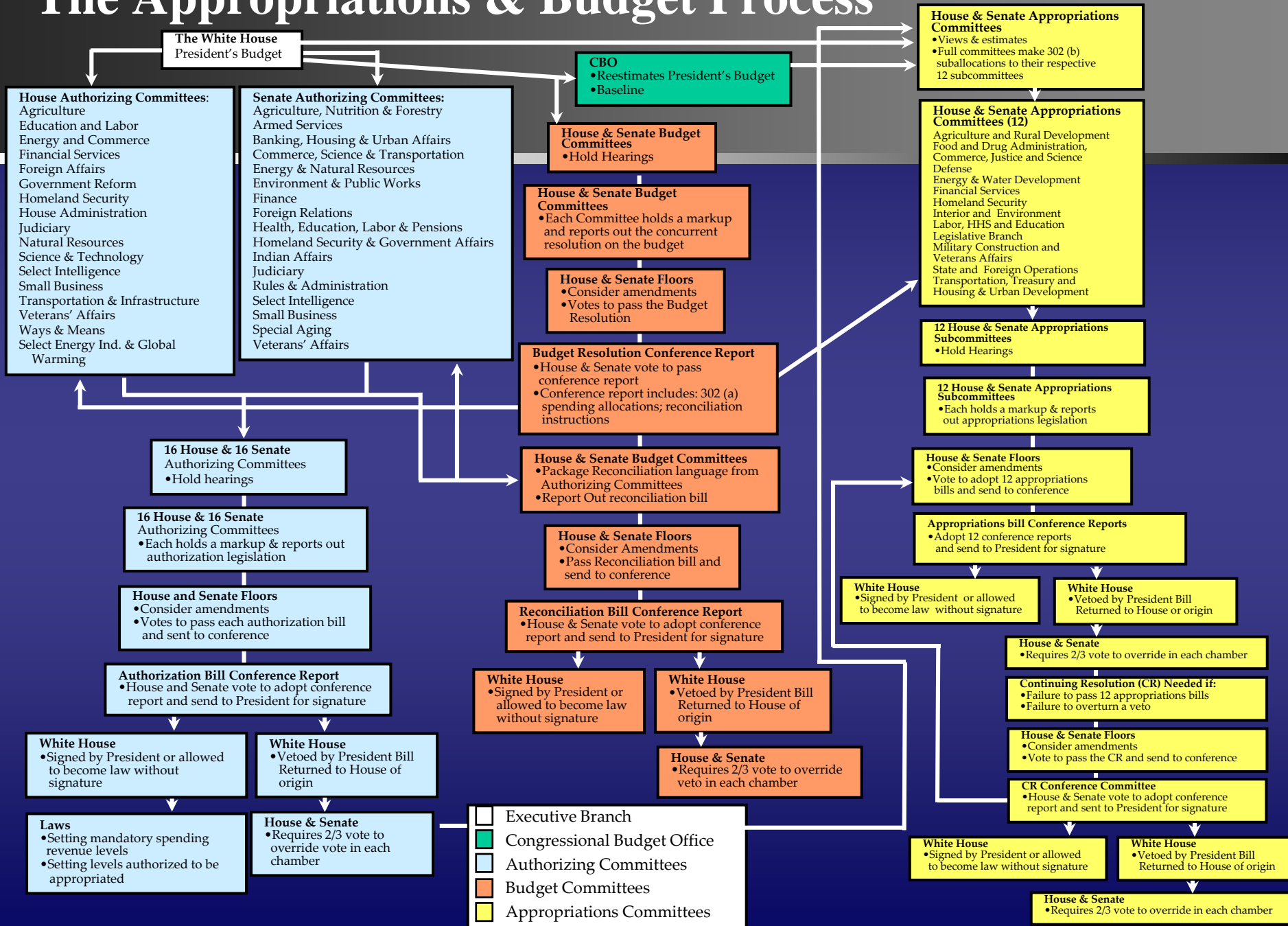
March 6, 2020

Process

The Budget Process: History 1787- 1974

- **1787 -- Section 9, Article 1 U.S. Constitution**
- **1816 – Committee on Finance/ Committee on Ways & Means**
- **1867 -- Committee on Appropriations**
- **1870 -- Anti-Deficiency Act**
- **1910 -- Pres. Taft - Commission to Create a Federal Budget**
- **1921 -- Budget & Accountability Act (Executive)**
- **1946 -- Legislative Reorganization Act (Legislative)**
- **1967 -- Pres. Johnson – Commission on Budget Concepts**
- **1970 -- Bureau of the Budget becomes OMB**
- **1973 -- Joint Study Committee on Budget Control**
- **1974 -- Congressional Budget & Impoundment Control Act**

The Appropriations & Budget Process



The Budget Process: History 1974 -Today

- **1985 -- Balanced Budget & Emergency Deficit Control Act (Gramm-Rudman-Hollings)**
- **1987 – Balanced Budget & Emergency Deficit Control Reaffirmation Act of 1987**
- **1990 -- Budget Enforcement Act (BEA) of 1990**
- **1995 – Unfunded Mandates Reform Act of 1995**
- **1996 – Line Item Veto Act of 1996 (unconstitutional)**
- **1997 -- Balanced Budget Act of 1997**
- **2010 – Statutory Pay-As-You-Go Act of 2010**
- **2011 – Budget Control Act of 2011**

Summary Last 46 Years of Congressional Budget & Impoundment Control Act of 1974

- **No Budget Resolution = 13 years**
 - Party control in House & Senate for the 10 years with no Budget Resolution:
 - Democrats = 1yr (2007)
 - Republicans = 4yrs (1999, 2003, 2005, 2016, 2019)
 - Divided = 5yrs (2011, 2012, 2013, 2014, 2015, 2020, 2021*)
-
- **All regular appropriation bills completed by Oct. 1 = 2**
Last occurred in 1989/in 1997 six regular bills were combined with 7 into an omnibus.
 - During the 30 years a Budget Resolution conference agreement was reached:
On average 3 appropriation bills were enacted by Oct. 1
-
- Budget Reconciliation Measures Enacted = **21** Last: Tax Reconciliation 2017
 - Government Shut Down = **151 Days**

The Reconciliation Process

RECONCILIATION AUTHORITY

- Section 310 CBA of 1974: “A concurrent resolution on the budget for any fiscal year, to the extent necessary to effectuate the provisions and requirements of such resolution, shall –
 - (1) specify the total amount by which –
 - (A) new budget authority...;
 - (B) budget authority ... prior fiscal year;
 - (C) new entitlement authority...;
 - (D) credit authority...;...is to be **changed** and direct that committee to determine and recommend changes...
 - (2) specify the total amount by which **revenues** are to be **changed**....
 - (3) specify the amounts by which the **statutory limit on public debt** is to be **changed**....
 - (4) specify and direct any combination of the matters in paragraphs (1), (2) and (3) (including a direction to achieve **deficit reduction**).

S. Con. Res. 3: Concurrent Budget Resolution for FY 2017

Senate Adopted: Jan. 12, 2017 (51-48)

House Adopted: Jan. 13, 2017 (227-198)

TITLE II—RECONCILIATION

(Sec. 2001) Includes reconciliation instructions directing the Senate Finance Committee and the Senate Health, Education, Labor, and Pensions Committee to each submit to the Senate Budget Committee legislation to **reduce the deficit by at least \$1 billion** over the FY2017-FY2026 period. Requires the legislation to be submitted by January 27, 2017.

(Sec. 2002) Includes reconciliation instructions directing the House Energy and Commerce Committee and the House Ways and Means Committee to each submit to the House Budget Committee legislation to **reduce the deficit by at least \$1 billion** over the FY2017-FY2026 period.

Requires the legislation to be submitted by January 27, 2017.

House Passes: American Health Care Act of 2017 (217-213) May 4, 2017

Senate Defeats: American Health Care Act of 2017 (49-51) July 28, 17

H. Con. Res. 71: Concurrent Budget Resolution for FY 2018

Senate Adopted: Oct. 19, 2017 (51-49) House Adopted: Oct. 26, 2017 (216-212)

TITLE II—RECONCILIATION

(Sec. 2001) Includes reconciliation instructions directing: (1) the Senate Finance Committee to report changes in laws within its jurisdiction that **increase the deficit by no more than \$1.5 trillion** over FY2018-FY2027, and (2) the Senate Energy and Natural Resources Committee to report changes in laws within its jurisdiction that **reduce the deficit by at least \$1 billion** over FY2018-FY2027.

Requires the committees to submit the recommendations to the Senate Budget Committee by November 13, 2017.

(Sec. 2002) Includes reconciliation instructions directing: (1) the House Ways and Means Committee to submit changes in laws within its jurisdiction that **increase the deficit by no more than \$1.5 trillion** over FY2018-FY2027, and (2) the House Natural Resources Committee to submit changes in laws within its jurisdiction that **reduce the deficit by at least \$1 billion** over FY2018-FY2027.

Requires the committees to submit the recommendations to the House Budget Committee by November 13, 2017.

Reconciliation on the Senate/House Floor

- Privileged (no debate on motion to proceed)
- 20 hours of debate (Senate), all inclusive, with sub-limits on amendments, debatable motions, etc.
- Amendments must be germane
- Amendments (Senate/House) must be deficit-neutral
- Vote-a-rama (Senate)

History of Reconciliation Bills Enacted 1980-2010

Legislation	Years Covered	Estimated Spending Savings/Revenues	
1. Omnibus Reconciliation Act of 1980	1	\$4.6 b	\$3.6 b
2. Omnibus Reconciliation Act of 1981	3	\$130 b	
3. Tax Equity & Fiscal Responsibility Act of 1982	3	\$17.5 b	\$98.3 b
4. Omnibus Budget Reconciliation Act of 1982	3	\$13.3 b	
5. Omnibus Budget Reconciliation Act of 1983	4	\$ 8.2 b	
6. Consolidated Omnibus Budget Reconciliation Act of 1985	3	- \$18.2 b	
7. Omnibus Budget Reconciliation Act of 1986	3	- \$11.7 b	
8. Omnibus Budget Reconciliation Act of 1987	2	- \$76 b	
9. Omnibus Budget Reconciliation Act of 1989	1	- \$14.7 b	
10. Omnibus Budget Reconciliation Act of 1990	5	\$281 b	\$255b
11. Omnibus Budget Reconciliation Act of 1993	5	\$145 b	\$241b
12. Personal Responsibility & Work Opportunity Act of 1996	6	\$54.6 b	

History of Reconciliation Bills Enacted 1980-2017 (Continue)

Legislation	Years Covered	Estimated Spending Savings/Revenues
13. Balanced Budget Act of 1997	5	\$ 127 b
14. Taxpayer Relief Act of 1997	5	-\$ 100 b
15. Economic Growth & Tax Relief Reconciliation Act of 2001	10	-\$ 1.3 T
16. Jobs & Growth Tax Relief Reconciliation Act of 2003	10	-\$ 350 b
17. Deficit Reduction Act of 2005	4	\$ 38 b
18. Tax Increase Prevention & Reconciliation Act of 2005	4	-\$ 70 b
19. College Cost Reduction & Access Act of 2007	3	\$ 752 b
20. Health Care & Education Reconciliation Act of 2010	10	\$ 277 b \$ 420 b
21. Tax Reconciliation 2017	10	- \$1.5 T

Budget Process Reform: Outlook

Joint Committee on Budget & Appropriation Process Reform (2018)

- Biennial Budget/Annual Appropriation
- Second session revision of Budget Resolution
- Bipartisan Budget Resolution in the Senate
- Annual reconciliation
- Reconstitute Senate Budget Committee

Bipartisan Congressional Budget Reform Act S.2765 (2019) (Enzi-Whitehouse)

- Biennial Budget/Annual Appropriation
- Portfolio Budget
- Debt/GDP Target
- Debt Limit and Discretionary Spending Caps – automatic with BR
- Special Reconciliation
- Bipartisan Budget Resolution in Senate
- Restrict POTUS use of rescission authority

The Prevent Government Shutdowns Act S.3009 (2020) (Lankford-Hassan)

- Automatic Continuing Resolution
- Member & Floor Restrictions

Current Economic & Budget Landscape



The Economist/YouGov Poll

February 2 - 4, 2020

1,500 US Adult Citizens

Q 69: Which of these 15 issues is the most important issue for you?

	Total
The economy	13%
Immigration	9%
The environment	12%
Terrorism	5%
Gay rights	1%
Education	5%
Health care	19%
Social security	13%
The budget deficit	3%
The war in Afghanistan	1%
Taxes	3%
Medicare	4%
Abortion	5%
Foreign policy	1%
Gun control	6%
Totals	100%

Ranking:

1. Health Care 19%
2. Social Security 13%
3. The Economy 13%
4. The environment 13%
5. Immigration 9%
-
12. The budget deficit 3%

Economic Environment: Economic Forecasts Calendar Years 2019 - 2020

	Final 2019	Forecast 2020	Forecast 2021
Real GDP Growth – CBO – Blue Chip – Administration*	+2.3%	+2.2% +1.9% +2.8%	+1.9% +1.9% +3.1%
Inflation (CPI) – CBO – Blue Chip Administration*	+2.2%	+2.7% +2.2 % +2.2%	+2.5% +2.0% +2.3%
Unemployment Rate –CBO – Blue Chip – Administration*	3.7%	3.5% 3.6% 3.5%	3.5% 3.7% 3.6%
10 Year Note –CBO –Blue Chip –Administration*	2.1%	1.9% 1.9% 2.0%	2.2% 2.1% 2.2%

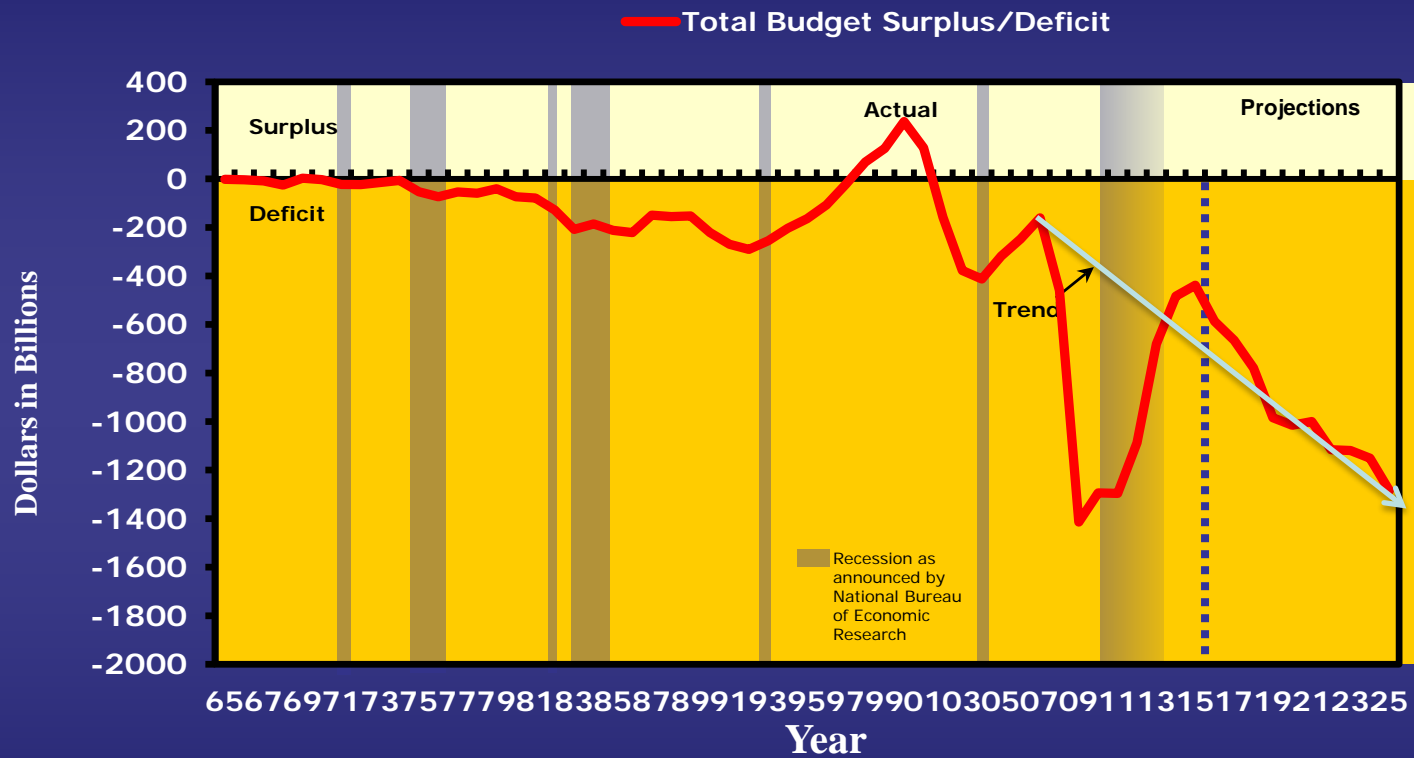
Note: GDP & CPS Percentage Change from Year to Year. Unemployment Rate and 10 year note calendar year average.

Sources: Congressional Budget Office, January 28, 2020; [Blue Chip Economics Forecasts, January 10, 2020](#)

* President's FY 2021 Budget , February 10, 2020 Note: Administration forecasts post-policy.

Total Budget Surplus/Deficit

FY 1965-2025



Source: An Update to the Budget and Economic Outlook: Fiscal Years 2020 to 2030. Congressional Budget Office; January 2020.

Budget Outlook

FY 2012 – 2030

(In Billions of Dollars – % of GDP)

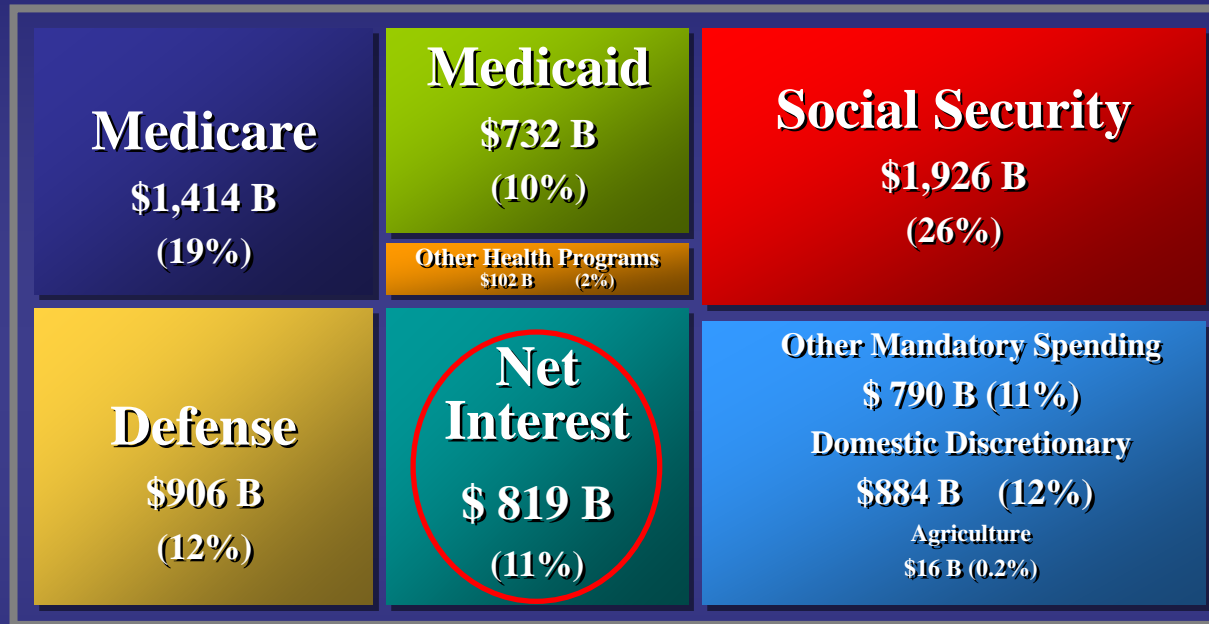
	2012 Actual	2017 Actual	2018 Actual	2019 Actual	2020	2021	...2030	% Δ annual 2019-2030
Receipts	2,450	3,316	3,330	3,462	3,632	3,816	5,745	+ 4.7%
Spending	3,537	3,982	4,109	4,447	4,647	4,816	7,487	+ 4.8%
Deficits	1,087	665	779	984	1,015	1,000	1,742	+5.3%
% of GDP	6.8%	3.5%	3.9%	4.6%	4.6%	4.3%	5.4%	NA
Public Debt	11,281	14,665	15,750	16,803	17,855	18,886	31,447	+ 5.8%
% GDP	73%	77%	78%	79%	81%	82%	98%	
Debt Subject Limit	16,027	20,209	21,475	22,687	23,810	24,921	36,231	+4.3%
% GDP	100%	105%	106%	106%	108%	108%	113%	

CBO estimate of nominal GDP growth increase 3.8% annually 2019-2030.

Source: Congressional Budget Office, An Update Budget and Economic Outlook 2020-2030. January 2020. Final Monthly Treasury Statement FY 2019, Oct. 25, 2019.

Federal Spending Projected for 2030

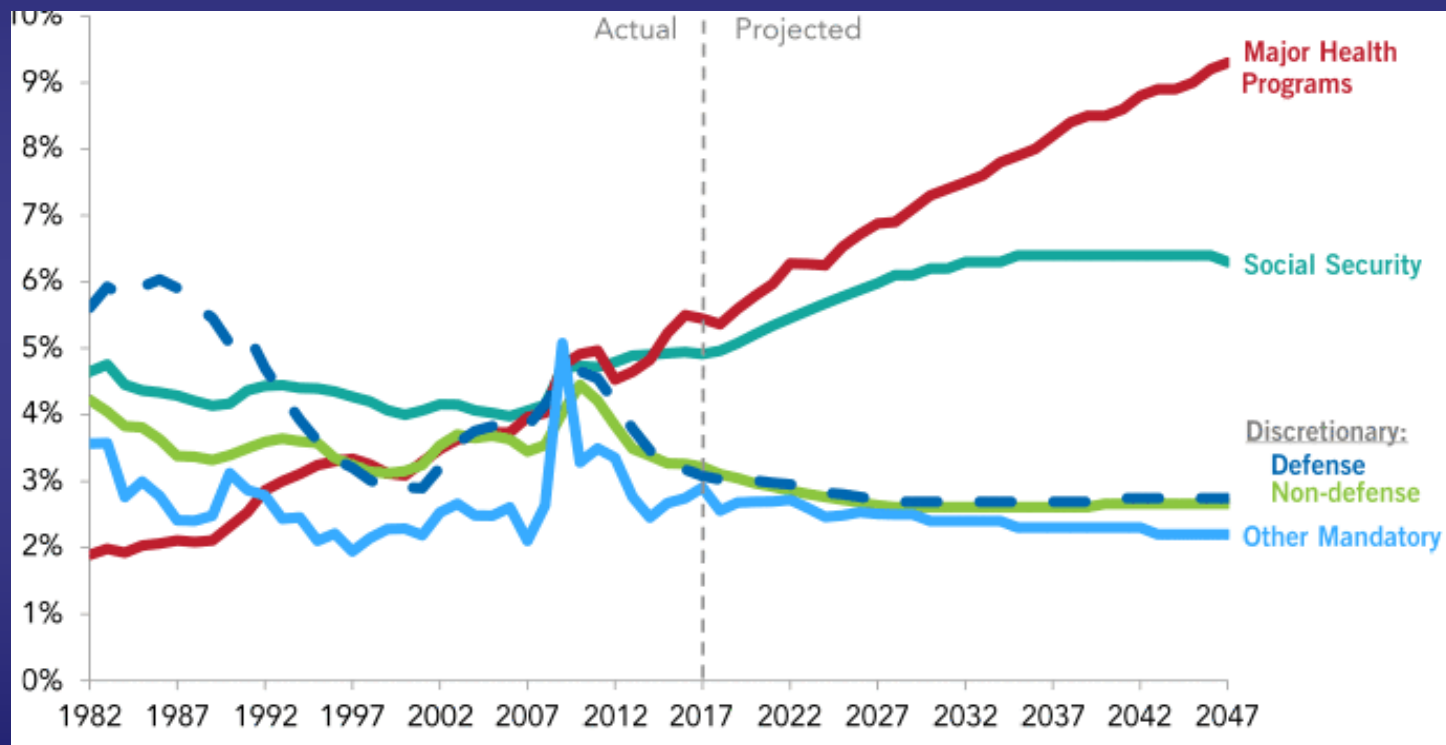
\$7,487 billion



“Other Health Programs” includes: Health insurance subsidies, exchanges, and related spending; Department of Defense Medicare-Eligible Retiree Health Care Fund (including TRICARE for Life); Children’s Health Insurance Program, and other programs.

Source: The Congressional Budget Office. The Budget and Economic Outlook: Fiscal Years 2020 to 2030, January 2030.

Federal Health Care Programs: Fastest Growing (Non-Interest) Spending in Budget



Limits on Discretionary Budget Authority*

Under Budget Control Act of 2011 FY 2018 to 2021

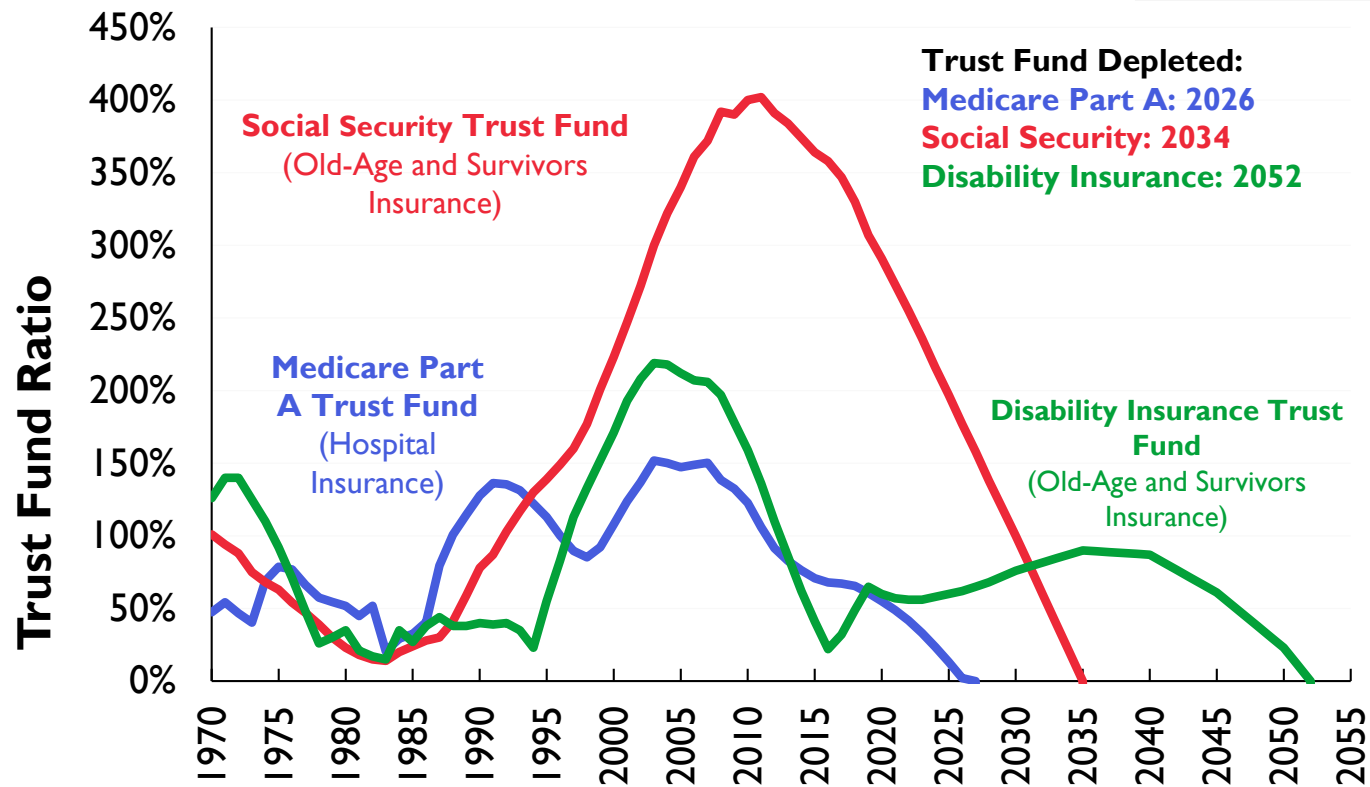
(Billions of dollars)

Caps	2018	2019	2020	2021	BBA 2019 2020	BBA 2019 2021	BBA 2019 Δ 2020	BBA 2019 Δ 2021
Defense	629	647	576	590	667	672	+91	+81
Nondefense	579	597	543	555	622	627	+81	+71
Total	1,207	1,244	1,119	1,145	1,289	1,299	+172	+152

- * The Budget Control Act (BCA) of 2011 specified that if lawmakers did not enact legislation from the Joint Committee on Deficit Reduction that would reduce projected deficits by at least \$1.2 trillion, automatic procedures would go into effect to reduce spending during the period 2013-2021. Spending not constrained by these caps (e.g. overseas contingency operations, emergencies, disaster relief and certain program integrity initiatives are not included in these numbers.
- The Bipartisan Budget Act of 2018 adjusted the BCA 2011 caps for FY 2018 and FY 2019, increasing both defense and nondefense caps.
- The Bipartisan Budget Act of 2019 adjusted the BCA 2011 caps for FY 2020 and FY 2021.

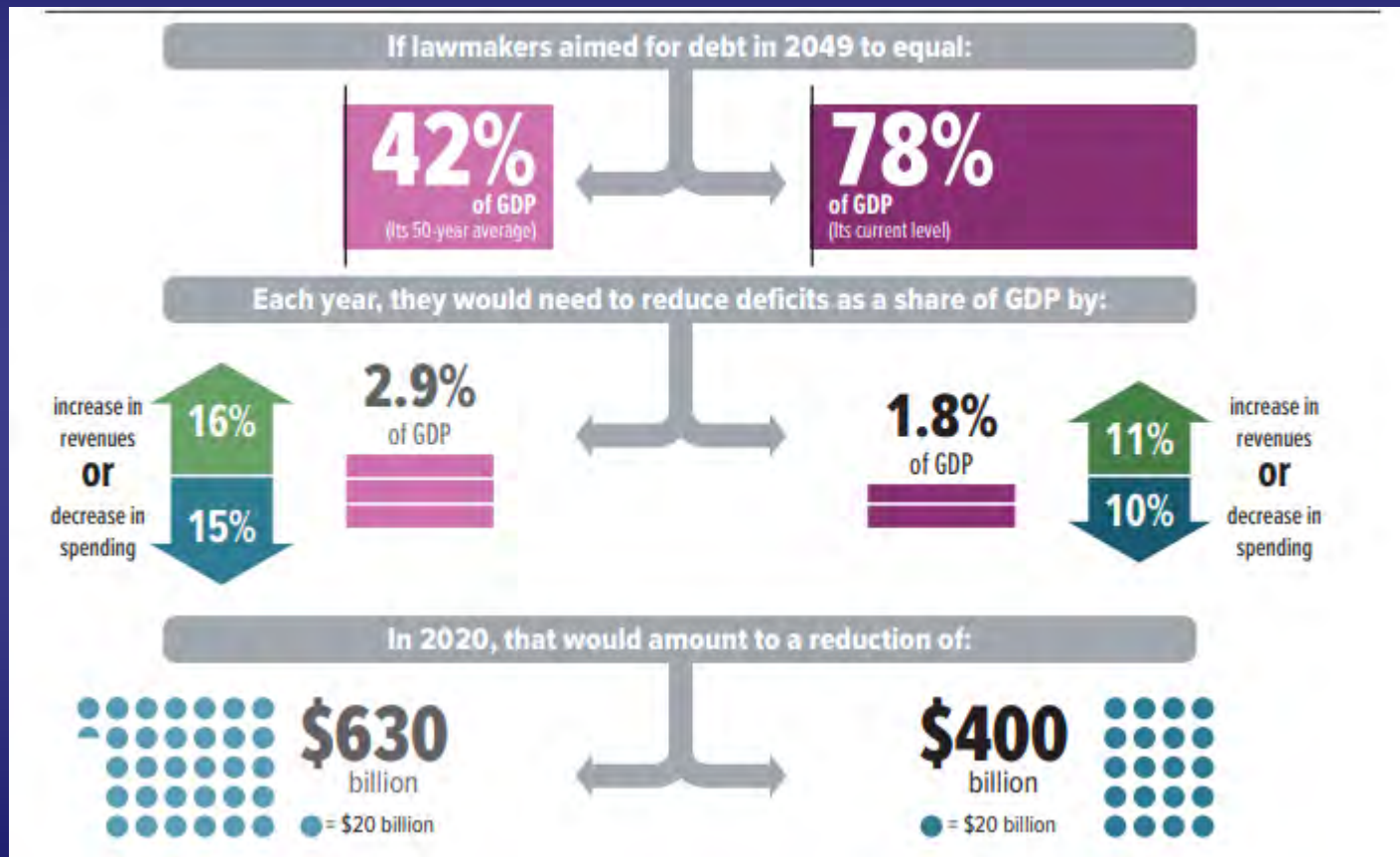
OASDI & HI Trust Funds

OASI:		
Early Retirement	Impact Today	49
Full Retirement	Impact Today	54



Source: 2019 Social Security and Medicare trustees' reports

The Size of Policy Changes Needed to Make Federal Debt Meet Two Possible Goals in 2049



Source: CBO – *The 2019 Long Term Budget Outlook*, June 2019.



BIPARTISAN POLICY CENTER

CBO's Role in the Budget Process

Presentation for the Alliance for Health Policy

March 6, 2020

Holly Harvey

Committee for a Responsible Federal Budget



**COMMITTEE FOR A
RESPONSIBLE FEDERAL BUDGET**

CRFB.org

CBO's History and Mission

- Lawmakers created CBO to give the Congress a stronger role in budget matters.
- Provides objective, timely, and nonpartisan analysis to help the Congress make effective budget and economic decisions.
- Chief responsibility is to help the Budget Committees with matters under their jurisdiction.

CBO's Organization and Staffing

- CBO has about 240 full-time employees.
- The director is appointed by the Speaker of the House and the President Pro Tempore of the Senate.
- Nearly 80 percent of CBO's professional staff have advanced degrees in economics, public policy, or a related field.
- The largest concentration of expertise is in the area of health.



What Does CBO Do?

- **CBO helps the Congress develop a budget plan by**

- Producing a 10-year baseline each winter to serve as a starting point.
- Producing an independent estimate of deficits under the President's budget proposals.

- **It helps the Congress stay within its budget plan by**

- Comparing legislative options, including the President's proposals, with CBO's baseline budget projections.
- Producing cost estimates of nearly every bill approved by a full committee of the House or Senate.

- **And it helps the Congress on issues related to the budget and economic policy by**

- Preparing 10-year and 30-year economic and budget projections.
- Producing a regular volume of options that would reduce budget deficits.
- Analyzing selected issues by request.



Key Products and Timing

- Budget and Economic Outlook – late January
- Analysis of the President's Budget – March/April
- Updated Budget Projections – March/April
- Long Term Budget Outlook – June
- Budget Options – December, biennially

Additional Useful Information

- Spending Projections by Budget Account (released with baseline report)
- Estimates of President's Budget Proposals (Tables for individual health proposals)
- Detailed projections for Medicare, Medicaid, and CHIP
- Federal Subsidies for Health Coverage (Report and detailed tables released with Updated Budget Projections)

What is CBO's Baseline?

- A detailed projection for the current year and the ensuing 10 years of federal spending, revenues, and resulting deficits or surpluses.
- A neutral benchmark for measuring budgetary effects of proposed changes in federal revenues and mandatory spending.
- Often a starting point for budget resolutions.
- Not a forecast of future budgetary outcomes; those depend on future Congressional action and other factors.

Table 1-3.

Mandatory Outlays Projected in CBO's Baseline

Billions of Dollars

													Total	
	Actual, 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2021– 2025	2021– 2030
Social Security														
Old-Age and Survivors Insurance	893	949	1,009	1,075	1,145	1,217	1,292	1,368	1,448	1,536	1,623	1,713	5,739	13,428
Disability Insurance	145	145	149	155	162	169	176	184	193	198	205	213	810	1,804
Subtotal	1,038	1,094	1,158	1,230	1,307	1,386	1,468	1,553	1,642	1,734	1,828	1,926	6,549	15,232
Major Health Care Programs														
Medicare ^a	775	835	896	1,004	1,043	1,073	1,201	1,287	1,379	1,542	1,518	1,722	5,217	12,665
Medicaid	409	425	444	466	494	523	555	587	620	655	692	732	2,481	5,768
Premium tax credits and related spending ^b	56	52	52	53	56	58	61	63	64	65	68	71	279	610
Children’s Health Insurance Program	18	16	14	14	15	16	16	17	18	18	19	20	75	166
Subtotal ^a	1,258	1,327	1,405	1,538	1,607	1,670	1,832	1,954	2,080	2,281	2,297	2,545	8,052	19,209



CBO Cost Estimates

- Tools that the Congress can use to implement its rules and procedures related to budget enforcement.
- Provide information about how a bill would affect major components of the federal budget.
- Details about CBO's analysis—the reasoning, analytical methods, and sources of data used to develop the estimate.
- They reflect the middle of the distribution of possible outcomes.



Cost Estimates for Discretionary Spending

- Authorizations of appropriations.
- Actual spending contingent on future appropriations actions.
- “Baseline” starts from zero.
- Estimate of resources needed to comply with authorization language, not change from current spending.
- Does not affect the deficit, not direct spending.
- Estimate covers 5 years.

Estimates for Mandatory Spending

- Authorization
- Not contingent on future Congressional action.
- Estimates reflect incremental change in spending relative to current law (the baseline) from implementing the policy.
- Direct spending, affects the deficit if enacted.
- Estimates cover current year and 10 subsequent years.
- Some information about effects after 10 years included.



Cost Estimates Explained


At a Glance

The first page summarizes CBO's estimate of the bill's effects on major components of the federal budget.

Budgetary Information.

Components of the federal budget (explained more fully on the next page) include direct spending, revenues, the deficit, and spending subject to appropriation. Totals for the bill's estimated effects on each component are provided for the current year and subsequent years in the budget window.

General Information. The bill number, title, and legislative status are shown. Most estimates are for bills that have been ordered reported by a full committee. The same bill number may appear on different estimates when a bill is considered by more than one committee or when CBO provides an estimate for legislation that has been passed by one chamber and is awaiting action in the other. The date in the upper right corner shows when CBO published the estimate.



Congressional Budget Office

Cost Estimate

September 18, 2019

At a Glance

H.R. 2328, Reauthorizing and Extending America's Community Health Act

As ordered reported by the House Committee on Energy and Commerce on July 17, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	40,394	41,027
Revenues	0	6,631	20,938
Increase or Decrease (-) in the Deficit	0	33,764	20,090
Spending Subject to Appropriation (Outlays)	0	67	not estimated

Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	Yes, Over Threshold
		Contains private-sector mandate?	Yes, Over Threshold

The bill would

- Extend funding for public health programs including those that support health centers and health education
- Extend funding for several programs financed through the Medicare trust funds, change some other aspects of Medicare, and change supplemental coverage for some military retirees
- Reduce scheduled funding cuts to state allotments to hospitals that treat a disproportionate share of uninsured and Medicaid patients
- Protect patients from surprise medical billing and reduce payments to some health care providers working in facilities where surprise bills are likely
- Increase funding for Medicaid in the U.S. territories
- Impose intergovernmental and private-sector mandates by prohibiting surprise medical billing

Estimated budgetary effects would primarily stem from

- Increased funding for public health programs
- Changes to Medicare coverage and payment rules
- Increased Medicaid spending on payments to hospitals and to the U.S. territories
- Reduced federal subsidies for health care and health insurance

Areas of significant uncertainty include

- Estimating coverage choices for military retirees and trends in prostate cancer testing and treatment
- Accurately projecting how states would respond to scheduled reductions in funding for hospital payments
- Accurately anticipating the nature and effects of provider and insurer responses to the bill's provisions that address surprise bills
- Estimating what the U.S. territories would spend on Medicaid

Detailed estimate begins on the next page.

See also CBO's Cost Estimates Explained, www.cbo.gov/publication/54437;
How CBO Prepares Cost Estimates, www.cbo.gov/publication/53519; and Glossary, www.cbo.gov/publication/42904.

Procedural Information.

The following questions are answered:

- Do procedures specified under the Statutory Pay-As-You-Go (PAYGO) Act of 2010 apply?
- Will the bill increase long-term on-budget deficits?
- Does the bill contain any mandates as defined in the Unfunded Mandates Reform Act (UMRA)?

Highlights. Key points are noted, including the ways that the bill would affect the federal budget and any uncertainties that might result in outcomes that are higher or lower than CBO's estimates.



Tips for Working with CBO

- Understand CBO's role in the budget process, statutory priorities, and workload.
- Don't expect them to estimate your boss' bill (or at least don't take it personally if they say no).
- Do ask them for help in understanding cost estimates, baseline projections, or anything else they have published.

Resources

Much of the material in this presentation was drawn from information available on CBO's website (www.cbo.gov):

How CBO Prepares Baseline Budget Projections: <https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/53532-baselines.pdf>

How CBO Prepares Cost Estimates: <https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/53519-costestimates.pdf>

10 Things to Know About CBO: <https://www.cbo.gov/system/files/2019-02/10thingstoknow.pdf>

The Basics of the Federal Budget and Appropriations Process: The Role of the Budget Committees

Sarah Kuehl Egge, Principal
SplitOak Strategies

March 6, 2020



Key Topics

- ▶ The Role of the Budget Committees
- ▶ Reconciliation
- ▶ Tips for Writing a Memo on the Budget

Key Responsibilities of the Budget Committees

- ▶ Develop a concurrent resolution on the budget
- ▶ Enforce budget rules, including the levels set forth in the budget resolution or other budget legislation (i.e., the Budget Control Act)
 - ▶ Special role envisioned for Budget Committee Chairmen: arbiters of whether points of order apply, which baselines to use when scoring legislation
- ▶ Conduct oversight related to the federal budget and the Congressional Budget Office; advise and consent on the Director and Deputy Director of the Office of Management and Budget
- ▶ Manage reconciliation legislation considered in Congress
- ▶ Engage with Budget Committee counterparts, OMB and CBO on scorekeeping issues and anomalies that arise

Budget Timeline Framework as Envisioned by the Congressional Budget Act

On or before:	Action to be completed:
First Monday in Feb.	President submits his budget
February 15	CBO submits report to Budget Committees
Not later than 6 weeks after the President submits the budget	Committees submit views and estimates to Budget Committees
April 1	Senate Budget Committee reports concurrent resolution on the budget
April 15	Congress completes action on concurrent resolution
May 15	Annual approps bills may be considered in House
June 10	House Appropriations Committee reports last annual appropriation bill
June 15	Congress completes action on reconciliation
June 30	House completes action on annual appropriations bills
October 1	Fiscal year begins

Key Pieces of a Budget Resolution

- ▶ **Must** include topline spending aggregates, revenues, deficits, debt levels
 - ▶ Includes spending totals by 20+ Budget Function areas (i.e., 050 Defense, 400 Transportation, 650 Social Security)
 - ▶ Includes spending and revenue allocations to each Committee (302(a) allocations for spending, 311 allocation for revenues)
 - ▶ Appropriations Committee
 - ▶ **May** include “reconciliation instructions”
 - ▶ **May** include “reserve funds” for particular spending or revenue priorities
 - ▶ **May** include new “budget points of order” or revisions to previous points of order
 - ▶ **May** include “policy statements” or “Senses of Congress”
-

Budget Enforcement Tools

- ▶ Statutory rules (PAYGO) vs. Congressional rules (Byrd Rule)
 - ▶ Some rules apply to all legislation, others only to budget resolutions and reconciliation bills
 - ▶ Rules may require simple majority or 60 votes to waive
 - ▶ Who decides whether a Budget point of order applies?
 - ▶ Common points of order:
 - ▶ **302(f)(2) - Allocations to Committees.** Prohibits consideration of legislation that exceeds (1) an authorizing committee's allocation of budget authority and outlays or (2) an appropriations subcommittee's sub-allocation of budget authority and outlays.
 - ▶ **311(a)(2) - Spending and Revenue Aggregates.** Prohibits consideration of legislation that would (1) exceed the budget authority and outlay spending totals in the budget resolution, or (2) cause total revenues to fall below enforceable levels.
 - ▶ **4106 - Senate Pay-As-You-Go.** Prohibits consideration of direct spending or revenue legislation that would cause or increase an on-budget deficit over the current year, the budget year, or the current year plus the periods covered by the budget resolution.
 - ▶ **4112(e) - Emergency Designation.** Permits any Senator to strike any emergency designation made pursuant to the 2018 budget resolution.
 - ▶ Budget Committee Points of Order: <https://www.budget.senate.gov/budgetpointsoforder>
 - ▶ What to do if your boss wants to call a point of order?
-

Budget Reconciliation

- ▶ Reconciliation allows **51**-vote approval in the Senate for spending, tax, debt limit bills (or combination), under 2-step process
 - 1) Budget with reconciliation instructions passed by House, Senate
 - Instructions direct committees to change spending or revenue numbers
 - 2) Then, Congress must pass bills that adhere to instructions
- ▶ Special rules limit the content of reconciliation bills:
 - ▶ Byrd rule limits content to truly budgetary provisions
 - ▶ Other rules limit germaneness, prohibit inclusion of certain items
 - ▶ Rules enforced by the Senate Parliamentarian and Budget Chair
- ▶ Reconciliation was originally used only for deficit reduction
- ▶ In recent years, reconciliation has been used to drive major legislation through on a party-line vote

The Budget Process in Reality

- ▶ Budget timelines rarely met
 - ▶ Budget resolutions infrequently conferenced between both Chambers
 - ▶ Increasing reliance on deeming resolutions and short-term budget deals to avoid sequestration
 - ▶ Deeming resolutions have similar effect to a conferenced budget resolution
 - ▶ Brinksmanship has been used in both budget and debt discussions to force budget changes
 - ▶ Opportunities for new budget deal as BCA caps expire at the end of FY21?
-

Tools for Writing about the Budget

- ▶ CBO Budget and Economic Outlook
 - ▶ <https://www.cbo.gov/publication/56020>
 - ▶ President's Budget Documents (Overview/Major Savings and Reforms; Analytical Perspectives; Appendix; Historical Tables)
 - ▶ <https://www.whitehouse.gov/omb/budget/>
 - ▶ Agency Budgets in Brief
 - ▶ <https://www.hhs.gov/sites/default/files/fy-2021-budget-in-brief.pdf>
 - ▶ Congressional Budget Justifications
 - ▶ https://www.samhsa.gov/sites/default/files/about_us/budget/fy-2021-samhsa-cj.pdf
 - ▶ CBO Re-estimate of the President's Budget
 - ▶ <https://www.cbo.gov/publication/55195>
 - ▶ CBO's Updated Spring Baseline (Baseline Projections for Health)
 - ▶ <https://www.cbo.gov/publication/55151>
 - ▶ CBO's Long-Term Budget Outlook
 - ▶ <https://www.cbo.gov/publication/55331>
 - ▶ Trustees Report: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds>
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Key Budget Terms to Know

- ▶ Discretionary spending: Budget authority (and resulting outlays) provided in and controlled by annual appropriations acts
 - ▶ Direct/mandatory spending: Budget authority (and resulting outlays) provided by laws other than appropriation acts
 - ▶ Budget authority: Authority provided by law to incur financial obligations that will result in immediate or future outlays of federal government funds
 - ▶ Outlays: Spending to pay a federal obligation
 - ▶ Sequestration: An enforcement mechanism by which the President orders the cancellation of budgetary resources in amounts sufficient to meet statutory requirements
 - ▶ Budget deficit: The amount by which the federal government's total outlays exceed its total revenues in a given period, typically a fiscal year
 - ▶ Debt Subject to Limit: Debt subject to a statutory ceiling that applies to gross federal debt, except for a small portion of the debt issued by the Treasury and the small amount of debt issued by other federal agencies
 - ▶ Debt Held by the Public: Represents the holdings of debt by individuals, institutions and buyers outside the federal government
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