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SUMMARY

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Content and Consideration of the Budget Resolution: In Brief

The concurrent resolution on the budget was established in the Congressional Budget Act of 1974 (Budget Act) to provide Congress with a means for adopting a fiscal framework for the federal government on an annual basis. Statutorily, the budget resolution must include at least five fiscal years, but in recent practice it often includes up to 10. By allowing the chambers to adopt broad budgetary goals and priorities, the budget resolution may facilitate subsequent agreement on budgetary legislation.

A budget resolution must include budget aggregates and corresponding allocation among functional categories. The report accompanying the budget resolution must also contain certain provisions that specify information, data, and assumptions underlying the budget resolution as well as estimates and allocations for future spending. Points of order set forth in the Budget Act can be used to enforce these requirements.

In addition to required content, a budget resolution may include several categories of optional provisions. The Budget Act explicitly provides for reconciliation directives and reserve funds, both of which are commonly included in budget resolutions. The Budget Act's "elastic clause" allows for additional optional provisions such as budget points of order.

In practice, reconciliation directives are one of the most important features of the budget resolution, as they provide the only means for Congress to trigger the reconciliation process. Reconciliation directives are intended to help Congress achieve the budgetary goals set forth in the budget resolution by instructing committees to change existing law such that revenues, spending, and the debt limit align with the revenue floors and spending ceilings set in the budget resolution.

The Budget Act, as interpreted and applied by the House and Senate, provides for a distinct set of procedures for consideration and debate on the budget resolution. Generally, these rules expedite the process for considering and approving the budget resolution.

Although the budget resolution does not become law, the House and Senate must still approve the budget resolution in precisely the same form in order for it to take effect. If agreed to by both chambers in an identical form, the budgetary parameters specified in the budget resolution become enforceable through points of order.

In the absence of a budget resolution, the House and Senate may use any of a variety of means to establish enforceable budget levels. These alternatives are collectively referred to as "deeming resolutions" because they are deemed to serve in place of an annual budget resolution for establishing enforceable budget levels. A deeming resolution, however, may not be used as a trigger for reconciliation legislation.

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The Purpose of the Budget Resolution

The Congressional Budget Act of 1974 (Budget Act) established a concurrent resolution on the budget as a means of adopting and enforcing a fiscal framework for the federal budget for each fiscal year. Previously, Congress lacked a legislative vehicle that allowed votes on budget totals, which could set budgetary policies and priorities as a whole rather than as separate measures.

As a concurrent resolution, the budget resolution does not require the President's signature or become law. Instead, it is adopted as an exercise of the rulemaking power of the two chambers acting together. It is considered to function as part of the rules of each chamber in order to regulate their internal proceedings. If agreed to by both chambers in an identical form, the budgetary parameters specified in the budget resolution become enforceable through points of order.

The Budget Act also provides for the reconciliation process, an expedited procedure for the consideration of legislation to implement certain fiscal policies agreed to as part of the budget resolution. The reconciliation process may be triggered only if specific instructions are adopted in a budget resolution.[1] Since FY2000, one Congress—the 110th Congress—adopted a budget resolution that did not include reconciliation instructions (S.Con.Res. 70).

By creating consensus between the chambers with respect to broad budgetary goals and priorities, the budget resolution may ease subsequent agreement on budgetary legislation. However, Congress may enact budgetary legislation even in the absence of a budget resolution. Since FY1999, the first year since the adoption of the Budget Act for which no budget resolution was passed, Congress did not adopt a budget resolution for 11 of 25 fiscal years.

In the absence of a budget resolution, the House and Senate may use any of a variety of means to establish enforceable budget levels. These alternatives are collectively referred to as "deeming resolutions" because they are deemed to serve in place of an annual budget resolution for establishing enforceable budget levels.[2] A deeming resolution, however, may not be used as a trigger for reconciliation legislation.

Structure and Content of the Budget Resolution

The Budget Act requires that every budget resolution contain several types of provisions, including budget aggregates and allocation of new budget authority among functional categories. In addition, the Budget Committee must publish an accompanying report that must include additional required content.

Congress may also choose to include various categories of optional provisions in the budget resolution. The Budget Act identifies several optional categories, such as reconciliation directives and reserve funds.

Required Provisions

The Budget Act requires that several types of provisions be included in the budget resolution or its accompanying report. The Budget Act also establishes points of order, which Members can use

[1] For more on the reconciliation process, see CRS Report R44058, *The Budget Reconciliation Process: Stages of Consideration*.

[2] For more on deeming resolutions, see CRS Report R44296, *Deeming Resolutions: Budget Enforcement in the Absence of a Budget Resolution*.

to enforce these requirements. In the absence of these required provisions, a measure cannot qualify for privileged consideration in the Senate as a budget resolution.

Budget Aggregates

Section 301(a) of the Budget Act requires that the budget resolution contain four budget aggregates for the upcoming fiscal year (the "budget year") and at least four subsequent years ("outyears").[3] These aggregates are to include

- total new budget authority and outlays,
- total revenue and the amount by which the total should be changed,
- the budget surplus or deficit, and
- the public debt.

While the Budget Act requires Congress to provide budget aggregates for at least five years, recent budget resolutions have often included up to 10 fiscal years (for example, see the excerpt from S.Con.Res. 14 from the 117th Congress in **Figure 1**).

Figure 1. Example of Aggregate Levels in the Budget Resolution

S.Con.Res. 14 (FY2022)

SEC. 1101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2022 through 2031:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 2022: $3,401,380,000,000.
Fiscal year 2023: $3,512,947,000,000.
Fiscal year 2024: $3,542,298,000,000.
Fiscal year 2025: $3,565,871,000,000.
Fiscal year 2026: $3,773,174,000,000.
Fiscal year 2027: $3,995,160,000,000.
Fiscal year 2028: $4,090,582,000,000.
Fiscal year 2029: $4,218,130,000,000.
Fiscal year 2030: $4,352,218,000,000.
Fiscal year 2031: $4,505,614,000,000.

Section 311(a) of the Budget Act provides for enforcement of budget aggregates by establishing a point of order for legislation that violates the new budget authority and outlays ceiling or the revenue floor. In the House, however, a measure that would not cause the relevant committee allocation to be exceeded is exempt from this point of order under Section 311(c) of the Budget Act.

[3] Calculation of these aggregates excludes the outlays and receipts for the Social Security trust funds and spending for the Postal Service Fund, which are mandated by law to be off-budget. For purposes of Senate enforcement, however, Section 301(a) requires that outlays and revenues for Social Security be presented separately in the budget resolution.

Functional Categories

Section 301(a)(4) of the Budget Act requires that the aggregates for new budget authority and outlays be divided among 20 major functional categories. These categories classify federal budgetary activities representing the major functions of the federal government without regard to agency. Taken together, they provide a broad statement of the federal government's budget priorities. These amounts, however, are not enforceable by points of order.

Section 301(e)(2) of the Budget Act requires the report that accompanies a budget resolution (described below) to include allocations corresponding to functional categories for committees with jurisdiction over spending legislation (as described in Section 302(a)). Once these committee allocations are made, they are enforceable through points of order under Section 302(f).

Accompanying Report

Section 301(e)(2) of the Budget Act requires that the report accompanying the budget resolution include

- a comparison of total new budget authority, total outlays, total revenues, and the surplus or deficit for each fiscal year set forth in the budget resolution with the amounts requested in the budget submitted by the President;
- the estimated levels of total new budget authority and total outlays, divided between discretionary and mandatory amounts, for each major functional category;
- the economic assumptions that underlie the matters set forth in the budget resolution and any alternative assumptions and objectives the Budget Committee considered;
- information, data, and comparisons indicating the manner in which, and the basis on which, the Budget Committee determined each of the matters set forth in the resolution;
- the estimated levels of tax expenditures by major items and functional categories for the President's budget and in the budget resolution; and
- the committee spending allocations (as described in Section 302(a) of the Budget Act).

Optional Provisions

The Budget Act allows the inclusion of provisions in addition to those required to be in a budget resolution. The Budget Act explicitly provides for two of the most common optional provisions: reconciliation directives and reserve funds. The Budget Act also allows budget resolutions to include "such other matters, and require such other procedures, relating to the budget, as may be appropriate to carry out the purposes of this Act." For example, a budget resolution may include provisions that establish points of order applicable to the consideration of other budgetary matters.

Reconciliation Directives

In practice, one of the most important functions of the budget resolution is to trigger the reconciliation process. Reconciliation directives (also called reconciliation instructions) initiate reconciliation legislation by directing specified committees to change existing law such that

revenues, spending, and the debt limit align with the revenue floors and spending ceilings set in the budget resolution.[4]

A budget resolution provides the only means by which the reconciliation directives can be adopted and the reconciliation process can be triggered. Consequently, if Congress intends to use the reconciliation process to achieve its budgetary goals, reconciliation directives must be included in a budget resolution (see **Figure 2**).

Figure 2. Reconciliation Directives to House Committees

S.Con.Res. 13 (FY2010)

SEC. 202. RECONCILIATION IN THE HOUSE.

(a) HEALTH CARE REFORM.—

(1) The House Committee on Energy and Commerce shall report changes in laws to reduce the deficit by $1,000,000,000 for the period of fiscal years 2009 through 2014.

(2) The House Committee on Ways and Means shall report changes in laws to reduce the deficit by $1,000,000,000 for the period of fiscal years 2009 through 2014.

(3) The House Committee on Education and Labor shall report changes in laws to reduce the deficit by $1,000,000,000 for the period of fiscal years 2009 through 2014.

(b) INVESTING IN EDUCATION.—The House Committee on Education and Labor shall report changes in laws to reduce the deficit by $1,000,000,000 for the period of fiscal years 2009 through 2014.

(c) SUBMISSIONS.—In the House, not later than October 15, 2009, the House committees named in subsections (a) and (b) shall submit their recommendations to the House Committee on the Budget. Upon receiving all such recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such changes without any substantive revision.

Reconciliation directives are intended to help Congress achieve the budgetary goals set forth in the budget resolution. They also identify the committee(s) that should report reconciliation legislation, the date by which they should report, the dollar amount of budgetary change to be achieved in the reconciliation legislation, and the time period over which the impact of the budgetary change should be measured.

The committees named by the reconciliation directives retain their jurisdiction over any legislative language concerning spending or revenue. Nonetheless, the budget resolution, or the report that accompanies it, may include nonbinding policy assumptions for committees to achieve the targets laid out in the budget resolution. For example, the Senate Budget Committee print accompanying the budget resolution for FY2022 (S.Con.Res. 14) includes reconciliation directives prefaced by the following text:

> Please note: the list of items below is not final and not exclusive. This document is meant to provide a detailed understanding to Senators of what the resolution is designed to fund and it may be modified over the course of the bill drafting process and scoring process.

[4] For more information, see CRS Report R41186, *Reconciliation Directives: Components and Enforcement*.

The provisions that follow outline policy proposals developed by the Budget Committee chairs using the following form:

Figure 3. Nonbinding Policy Assumptions in an Accompanying Report

S.Con.Res. 14 (FY2022)

COMMITTEE ON COMMERCE, SCIENCE, AND TECHNOLOGY

The Commerce Committee receives an instruction of $83 billion.

- Investments in technology, transportation, and more
- Research, manufacturing, and economic development
- Coastal resiliency, healthy oceans investments, including the National Oceans and Coastal Security Fund
- National Science Foundation research and technology directorate

Reserve Funds

Reserve funds are provisions in a budget resolution that authorize the chair of the Budget Committee to revise committee allocations, budget aggregates, or other budget levels for specified policies or legislation to be considered after the adoption of the budget resolution.[5]

Reserve funds do not provide funding. Rather, they accord Budget Committee chairs the authority to alter previously agreed upon budgetary levels at their discretion in order to accommodate certain policies or legislation. A reserve fund provision may therefore change the initial levels provided in the resolution, allowing certain policies to be considered on the House or Senate floor without triggering a point of order for violating levels set in the budget resolution. The authority granted by a reserve fund may be exercised only under the circumstances specified in the reserve fund and within any specified budgetary limits.

An example of a reserve fund and the subsequent adjustment made by a Budget Committee chair is Section 4009 of the budget resolution for FY2022 (S.Con.Res. 14):

> **SEC. 4009. ADJUSTMENT FOR BIPARTISAN INFRASTRUCTURE LEGISLATION IN THE SENATE.**
>
> (a) ADJUSTMENTS.—In the Senate, upon the enactment of an infrastructure bill or joint resolution, including legislation implementing a bipartisan infrastructure agreement, the Chairman of the Committee on the Budget of the Senate may make adjustments to the levels and allocations in this resolution to reflect changes resulting from the enactment of such bill or joint resolution.

The chair of the Senate Budget Committee subsequently made a statement on the Senate floor to revise the requisite budget levels to accommodate new legislation:

> Mr. SANDERS. Mr. President, S.Con.Res. 14, the fiscal year 2022 congressional budget resolution, included authority in section 4009 to allow the chairman of the Committee on the Budget to adjust budget aggregates and committee allocations after the enactment of bipartisan infrastructure legislation…. H.R. 3684, the Infrastructure Investment and Jobs Act was enacted on November 15, 2021, meets the conditions of being bipartisan

[5] For additional information on reserve fund provisions in the budget resolution see CRS Report R47277, *Reserve Funds in the Congressional Budget Process: Frequently Asked Questions*.

> infrastructure legislation. As a result, I am revising the budget spending aggregates and the allocation to the Committee on Appropriations by $3,230 million in outlays resulting from the increase in contract authority included in that bill.[6]

Budget Points of Order

The enforcement of budgetary parameters, including those adopted as a part of budget procedures, often relies on points of order.[7] Points of order are prohibitions against certain types of legislation or congressional action that violate chamber rules or statutory requirements. A Member must raise a point of order on the floor in order to enforce these prohibitions, as they are not self-enforcing.

The House and Senate may create, modify, or repeal their rules, including those that govern consideration of budgetary legislation. The budget resolution can include language that impacts the consideration of other budgetary matters.

Below is an example of a point of order against "advance appropriations" from the budget resolution for FY2022 (S.Con.Res. 14):[8]

> **SEC. 4002. POINT OF ORDER AGAINST ADVANCE APPROPRIATIONS IN THE SENATE.**
>
> IN GENERAL.—
>
> (1) POINT OF ORDER.—Except as provided in subsection (b), it shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that would provide an advance appropriation for a discretionary account.
>
> (2) DEFINITION.—In this section, the term "advance appropriation" means any new budget authority provided in a bill or joint resolution making appropriations for fiscal year 2022 that first becomes available for any fiscal year after 2022, or any new budget authority provided in a bill or joint resolution making appropriations for fiscal year 2023, that first becomes available for any fiscal year after 2023.

Floor Action: Consideration of the Budget Resolution

Title III of the Budget Act, as interpreted and applied by the House and Senate, provides for a distinct set of procedures for consideration and debate on the budget resolution in addition to general chamber rules and practices governing floor action on legislation.[9]

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[6] Sen. Bernie Sanders, "Budgetary Revisions," remarks in the Senate, *Congressional Record*, daily edition, vol. 168 (February 8, 2022), p. S570.

[7] For more information on budget points of order, including those established in the Budget Act and several budget resolutions, see CRS Report 97-865, *Points of Order in the Congressional Budget Process*.

[8] Since FY2001, it has become standard to limit "advanced appropriations," or discretionary budget authority available for one or more fiscal years.

[9] For more information on consideration and amending of budget resolutions, see CRS Report RL30297, *Congressional Budget Resolutions: Historical Information*.

Initial Consideration in the Senate

Senate precedent has established that consideration of a budget resolution is privileged. This means that a motion to proceed to its consideration is not debatable (and therefore does not require 60 votes to invoke cloture), and the resolution does not have to lie over a day before being called up on the floor. Once a budget resolution has been placed on the Calendar of Business (either because the Senate Budget Committee has reported it or because the committee has been discharged from its consideration), a Senator may make a non-debatable motion to proceed to its consideration.[10]

During consideration on the Senate floor, Section 305 of the Budget Act provides that debate and any amendments, debatable motions, or appeals are subject to strict rules governing the duration of debate:

- Total debate, including amendments and debatable motions and appeals, is limited to 50 hours, equally divided and controlled between the majority and minority leaders or their designees (normally the chair and ranking member of the Budget Committee). The Budget Act allows up to four hours of this time to be designated for debate on economic goals and policies, although the Senate typically does not do so.
- Debate on any amendment to the resolution may not exceed two hours, equally divided and controlled.
- Debate on any amendment to an amendment, debatable motion, or appeal may not exceed one hour, equally divided and controlled.
- Motions to further limit debate are not debatable.

After the 50 hours of debate has expired, Senators may continue to consider the budget resolution—including additional amendments, motions, and appeals—but without further debate, unless provided by unanimous consent. This period is often referred to as a "vote-a-rama" due to the high volume of votes taken in rapid succession.

Taken altogether, these limits on debate time effectively preclude the need to invoke cloture in order to reach a final vote.

Although there are no limits on the number of amendments that the Senate may consider or adopt, all amendments offered to a budget resolution in the Senate must be germane, meaning they must pertain to budgetary matters.

Initial Consideration in the House

In the House, consideration of budget resolutions is governed by resolutions reported from the House Rules Committee. These resolutions, also known as special rules, customize floor proceedings by setting limits on debate and amending.

Special rules often set time limits on the length of floor consideration. Since FY2000, time allocated for general debate has ranged from two to six hours with an average of four hours. Special rules may also specify time for the consideration of any amendments made in order.

[10] For more information on the Senate discharge process for the budget resolution, see CRS Report R40665, *Congressional Budget Resolutions: Consideration and Amending in the Senate*.

In addition to debate on the budget resolution itself, the Full Employment and Balanced Growth Act of 1978 (P.L. 95-523) provides for up to four hours of debate on "economic goals and policies."[11] In practice, the House generally allocates one hour for this specialized debate time.

In recent practice, special rules typically allow 40 minutes of debate, equally divided between the majority and minority, for each amendment made in order. The practice of the House has been to limit amendments to those in the nature of a substitute for the entire budget. Since FY2000, the number of amendments in the nature of a substitute made in order and considered has ranged from zero to six with an average of four. During the same time span, the only one adopted was a substitute offered by the Budget Committee chair in 2015.[12]

Resolving Differences Between the Chambers

The House and Senate usually adopt different initial versions of a budget resolution, and they must resolve their differences using a conference committee or come to agreement through an exchange of amendments.[13] The Budget Act establishes special procedures for these final stages of consideration that generally serve to expedite the process.

In the House, conference reports and amendments between the houses on the budget resolution are considered under the terms of a rule developed by the Rules Committee. The Budget Act provides special procedures for the consideration of a conference report in the House, including that debate on the report may not exceed five hours, equally divided between the majority and minority. The Budget Act also precludes other motions that would otherwise be in order in some circumstances, including a motion to recommit the matter back to conference and a motion to reconsider the vote on the conference report. In practice, the special rule for the consideration of a conference report for a budget resolution in the House typically provides that debate be limited to one hour and that all points of order against the conference report and against its consideration be waived.

In the Senate, the Budget Act limits debate on the conference report and on any message between the houses to 10 hours, equally divided between the majority and minority. Debate on any debatable motions or appeals is limited to one hour. This debate limit applies to the Senate floor action necessary to arrange for a conference with the House. It also applies to consideration of any compromise text of a budget resolution whether in the form of a conference report or an amendment between the houses. As a result, the Senate may reach a final vote without needing to invoke cloture, allowing for consideration of a budget resolution to be completed with the support of a simple majority.

Since 2010, the House and Senate held a conference committee for two of the three budget resolutions that reached the stage of resolving differences (FY2014 and FY2016).[14] The remaining resolution was resolved by an exchange of amendments between the houses (FY2018). Three other budget resolutions agreed to in that time period did not reach the stage of resolving differences, but rather the House passed a Senate version of the resolution without objection (FY2017, FY2021, and FY2022).

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[11] The Senate may also designate up to four hours for debate on economic goals and policies, but it tends not to use this prerogative.

[12] See consideration of H.Con.Res. 27 (114th Congress).

[13] For more information on resolving differences, see CRS Report 98-696, *Resolving Legislative Differences in Congress: Conference Committees and Amendments Between the Houses*.

[14] During consideration of the budget resolution for FY2014 (S.Con.Res. 8), a conference was held, but no further action was taken on the resolution.

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