President’s Budget:

The document sent to Congress by the President in January or February of each year, as required by law (31 U.S.C. 1105), requesting new budget authority for federal programs and estimating federal revenues and outlays for the upcoming fiscal year and 4 subsequent outyears.

Mid-Session Review of the Budget:

A supplemental summary and update of the budget that the President submitted to Congress in January or February of that year. Section 1106 of title 31 of the United States Code requires the mid-session review to contain revised estimates of budget receipts, outlays, and budget authority and other summary information and that it be issued by July 15 of each year.

Concurrent Resolution on the Budget:

A concurrent resolution adopted by both houses of Congress as part of the annual budget and appropriations process, setting forth an overall budget plan for Congress against which individual appropriations bills, other appropriations, and revenue measures are to be evaluated. As a plan for Congress, the resolution is not presented to the President for signature and does not have the force of law. Pursuant to section 301 of the Congressional Budget Act, as amended (2 U.S.C. 632), the resolution is expected to establish, for at least 5 fiscal years beginning on October 1 of the year of the resolution, appropriate levels for the following:

* totals of new budget authority and outlays,

* total federal revenues,

* the surplus or deficit in the budget,

* new budget authority and outlays for each major functional category,

* the public debt, and:

* outlays and revenues for Social Security insurance programs.

The concurrent resolution generally contains budget levels for the 5 fiscal years and may contain reconciliation instructions to specified committees. The concurrent resolution most recently adopted may be revised or affirmed before the end of the year to which it applies, as provided in section 304 of the Congressional Budget Act, as amended (2 U.S.C. 635).
Reconciliation:

A process Congress uses to reconcile amounts determined by tax, spending, credit, and debt legislation for a given fiscal year with levels set in the concurrent resolution on the budget for the year. Section 310 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 641) provides that the resolution may direct committees to determine and recommend changes to laws and pending legislation as required to conform to the resolution's totals for budget authority, revenues, and the public debt.

Byrd Rule:

A rule of the Senate that allows a senator to strike extraneous material in, or proposed to be in, reconciliation legislation or the related conference report. The rule defines six provisions that are "extraneous," including a provision that does not produce a change in outlays or revenues and a provision that produces changes in outlays or revenues that are merely incidental to the nonbudgetary components of the provision. The Byrd Rule was first enacted as section 20001 of the Consolidated Omnibus Budget Reconciliation Act of 1985 and later transferred in 1990 to section 313 of the Congressional Budget Act (2 U.S.C. 644). The rule is named after its primary sponsor, Senator Robert C. Byrd.

Committee Allocation [302(a)]:

The distribution of total proposed new budget authority and outlays, as set forth in the concurrent resolution on the budget, among the congressional committees according to their jurisdictions. The allocations are set forth in the joint explanatory statement of managers included in the conference report on the congressional budget resolution. House and Senate committees receive allocations of total new budget authority and total outlays. House committees also receive allocations of total entitlement authority, and Senate committees also receive allocations of Social Security outlays.

Subcommittee Allocation [302(b)]:

As required by section 302(b) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 633(b)), the distribution of spending authority and outlays by the appropriations committees of each house of Congress to their relevant appropriations subcommittees of jurisdiction based on the levels contained in the concurrent resolution on the budget.

Deeming Resolution:

An informal term that refers to a resolution or bill passed by one or both houses of Congress that in the absence of a concurrent resolution, serves for the chamber passing it as an annual budget resolution for purposes of establishing enforceable budget levels for a budget cycle.

Appropriation Act:
A statute, under the jurisdiction of the House and Senate Committees on Appropriations, that generally provides legal authority for federal agencies to incur obligations and to make payments out of the Treasury for specified purposes.

**Supplemental Appropriation:**

An act appropriating funds in addition to those already enacted in an annual appropriation act. Supplemental appropriations provide additional budget authority usually in cases where the need for funds is too urgent to be postponed until enactment of the regular appropriation bill.

**Pay-as-You-Go (PAYGO):**

PAYGO, which stands for “pay-as-you-go,” is a budget rule requiring that (using current law as the baseline) tax cuts as well as increases in entitlement and other mandatory spending must be covered by tax increases or cuts in mandatory spending. It does not apply to discretionary spending (spending that is controlled through the appropriations process). The original PAYGO was part of the Budget Enforcement Act of 1990. The law officially expired at the end of fiscal 2002. The most recent version of the PAYGO rule was established in 2010: To the extent that legislation does not pay for increases in mandatory spending or for tax cuts, the cumulative amount of the projected increase in the deficit is averaged over two periods—5 years and 10 years. (Budget imbalances in the current budget year are included, so in practice the averaging is over six and 11 years.) To prevent manipulation of the pay-go rules, legislation subject to PAYGO cannot move costs outside the budget window (i.e., after 10 years) or move saving into the budget window from later years. If the Office of Management and Budget determines that either the 5- or 10-year average cost is greater then zero when Congress adjourns, the President must sequester (apply an across-the-board spending cut) certain mandatory spending programs.

**CBO Baseline:**

Projected levels of governmental receipts (revenues), budget authority, and outlays for the budget year and subsequent fiscal years, assuming generally that current policies remain the same, except as directed by law. The baseline is described in the Congressional Budget Office's (CBO) annual report for the House and Senate Budget Committees, The Budget and Economic Outlook, which is published in January. The baseline, by law, includes projections for 5 years, but at the request of the Budget Committees, CBO has provided such projections for 10 years. In most years the CBO baseline is revised in conjunction with CBO's analysis of the President's budget, which is usually issued in March, and again during the summer. The "March" baseline is the benchmark for measuring the budgetary effects of proposed legislation under consideration by Congress.
**Scorekeeping:**

The process of estimating the budgetary effects of pending legislation and comparing them to a baseline, such as a budget resolution, or to any limits that may be set in law. Scorekeeping tracks data such as budget authority, receipts, outlays, the surplus or deficit, and the public debt limit. The process allows Congress to compare the cost of proposed budget policy changes to existing law and to enforce spending and revenue levels agreed upon in the budget resolution.

**Budget Authority:**

Authority provided by federal law to enter into financial obligations that will result in immediate or future outlays involving federal government funds.

**Outlay:**

The issuance of checks, disbursement of cash, or electronic transfer of funds made to liquidate a federal obligation.

**Mandatory Spending:**

A term that usually modifies either "spending" or "amount." "Mandatory spending," also known as "direct spending," refers to budget authority that is provided in laws other than appropriation acts and the outlays that result from such budget authority. Mandatory spending includes entitlement authority (for example, the Food Stamp, Medicare, and veterans' pension programs), payment of interest on the public debt, and non-entitlements such as payments to states from Forest Service receipts. By defining eligibility and setting the benefit or payment rules, Congress controls spending for these programs indirectly rather than directly through appropriations acts.

**Discretionary Spending:**

A term that usually modifies either "spending," "appropriation," or "amount." "Discretionary spending" refers to outlays from budget authority that is provided in and controlled by appropriation acts. "Discretionary appropriation" refers to those budgetary resources that are provided in appropriation acts, other than those that fund mandatory programs.

**Debt Limit:**

The debt limit is the total amount of money that the United States government is authorized to borrow to meet its existing legal obligations, including Social Security and Medicare benefits, military salaries, interest on the national debt, tax refunds, and other payments. The debt limit does not authorize new spending commitments. It simply allows the government to finance existing legal obligations that Congresses and presidents of both parties have made in the past.
Budget Laws

Congressional Budget and Impoundment Control Act of 1974:

Established a process through which Congress could systematically consider the total spending policy of the United States and determine priorities for allocating budgetary resources. The process calls for procedures for coordinating congressional revenue and spending decisions made in separate tax, appropriations, and legislative measures. It established the House and Senate Budget Committees, the Congressional Budget Office (CBO), and the procedures for congressional review of impoundments in the form of rescissions and deferrals proposed by the President.

Balanced Budget and Emergency Deficit Control Act of 1985:

Also known as the Deficit Control Act, originally known as Gramm-Rudman-Hollings. Among other changes to the budget process, the law established "maximum deficit amounts" and a sequestration procedure to reduce spending if those targets were exceeded.

Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987:

Amended the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings) to extend the date for achieving the goal of a balanced budget until fiscal year 1993, revise sequestration procedures, and require the Director of the Office of Management and Budget (OMB) to determine whether a sequester is necessary.

Budget Enforcement Act (BEA):


Budget Control Act

The BCA includes several interconnected components related to the federal budget, some of which are no longer in effect. There are five primary components: 1. An authorization to the
executive branch to increase the debt limit in three installments, subject to a disapproval process by Congress. (Those provisions were temporary and are no longer in effect.)

2. A one-time requirement for Congress to vote on an amendment to the Constitution to require a balanced budget. 3

3. The establishment of limits on defense discretionary spending and nondefense discretionary spending, enforced by sequestration (automatic, across-the-board reductions) in effect through FY2021. 4 Under this mechanism, sequestration is intended to deter enactment of legislation violating the spending limits or, in the event that legislation is enacted violating these limits, to automatically reduce discretionary spending to the limits specified in law. 4 The establishment of the Joint Select Committee on Deficit Reduction (often referred to as “the Joint Committee” or “the super committee”), which was directed to develop a proposal that would reduce the deficit by at least $1.5 trillion over FY2012 to FY2021.

Annual Mandatory Spending Sequester Because legislation from the Joint Committee to reduce the deficit by at least $1.2 trillion over the 10-year period (described above) was not enacted, the BCA requires the annual sequester (automatic, across-the-board reductions) of nonexempt mandatory spending programs. This sequester was originally intended to occur each year through FY2021 but has been extended to continue through FY2027. Many programs are exempt from sequestration, such as Social Security, Medicaid, the Children’s Health Insurance Program (CHIP), Temporary Assistance for Needy Families (TANF), and Supplemental Nutrition Assistance Program (SNAP, formerly food stamps). In addition, special rules govern the sequestration of certain programs, such as Medicare, which is limited to a 2% reduction.

To see a list of direct spending programs included in the most recent sequester report, see the annual Office of Management and Budget (OMB) report to Congress on the Joint Committee sequester for FY2018.

Legislation has been enacted making changes to the spending limits or enforcement procedures included in the BCA for each year from FY2013 through FY2017. Some of the most significant of these changes are the following:

- The American Taxpayer Relief Act of 2012 (ATRA; P.L. 112-240) postponed the start of FY2013 sequester from January 2 to March 3 and reduced the amount of the spending reductions by $24 billion, among other things.

- The Bipartisan Budget Act of 2013 (BBA 2013; P.L. 113-67, referred to as the Murray-Ryan agreement) increased discretionary spending limits for both defense and nondefense for FY2014, each by about $22 billion. In addition, it increased discretionary spending limits for both defense and nondefense for FY2015, each by about $9 billion. It also extended the mandatory
spending sequester by two years through FY2023. Soon after the enactment of the Bipartisan Budget Act of 2013, a bill was enacted to “ensure that the reduced annual cost-of-living adjustment to the retired pay of members and former members of the armed forces under the age of 62 required by the Bipartisan Budget Act of 2013 will not apply to members or former members who first became members prior to January 1, 2014, and for other purposes (P.L. 113-82).” This legislation extended the direct spending sequester by one year through FY2024.

• The Bipartisan Budget Act of 2015 (BBA 2015; P.L. 114-74) increased discretionary spending limits for both defense and nondefense for FY2016, each by $25 billion. In addition, it increased discretionary spending limits for both defense and nondefense for FY2017, each by $15 billion. It also extended the direct spending sequester by one year through FY2025. In addition, it established nonbinding spending targets for Overseas Contingency Operations/Global War on Terrorism (OCO/GWOT) levels for FY2016 and FY2017 and amended the limits of adjustments allowed under the discretionary spending limits for Program Integrity Initiatives. 18

• The Bipartisan Budget Act of 2018 (BBA 2018; P.L. 115-123) increased nondefense and defense discretionary limits in FY2018 and FY2019. In FY2018 BBA 2018 increased the defense limit by $80 billion (to $629 billion) and increased the nondefense limit by $63 billion (to $579 billion); in FY2019 it increased the defense limit by $85 billion (to $647 billion) and increased the nondefense limit by $68 billion (to $597 billion). BBA 2018 also extended the mandatory spending sequester by two years through FY2027.

Sources: GAO, Congressional Research Service, Tax Policy Center, Treasury