



WHY APPROPRIATIONS ARE NOT A BUDGET

The appropriations measure enacted last week will keep Federal programs and activities running through early December, at which point Congress will have to decide how to fund the government further. Whatever the outcome, however, such legislation will not constitute the entire budget – although the two often are confused. Congress still has to pass a *budget resolution* if it is to reform entitlements, limit mandatory spending, or consider a tax bill under expedited procedures. The following discussion explains some of the key differences between the budget resolution and appropriations bills.

Appropriations. Appropriations bills provide the legal authority for the Federal Government to enter into a specified amount of financial obligations. One form of appropriation – such as last week’s continuing resolution [CR] – combines several or all of the 12 separate appropriations bills, and provides temporary spending authority generally at the prior fiscal year’s levels. Whether adopted separately or in a CR, however, such measures cover only annually appropriated, discretionary spending – which represents just one-third of the budget.

The Budget Resolution. Only a budget resolution addresses the entire budget. The budget resolution is the first step in the congressional budget cycle, providing a comprehensive plan for addressing the government’s fiscal challenges. As a concurrent resolution, it is a form of congressional rulemaking that does not require the President’s signature. It provides Congress with targets for the subsequent consideration of appropriations, authorizing bills, and tax measures.

Reconciliation. In addition to setting spending and revenue limits, the budget resolution may drive major program reforms through reconciliation. Reconciliation directs authorizing committees to report legislation adjusting programs in their jurisdictions to meet specified spending and revenue targets. Passage of reconciliation legislation requires only a simple majority in the Senate. The Budget Committee-reported Fiscal Year 2018 Concurrent Resolution on the Budget (H. Con. Res. 71) instructs 11 authorizing committees to achieve a total of \$203 billion in deficit reduction over the period of fiscal years 2018 through 2027, and provides a mechanism for reforming Federal taxes.

DIFFERENCES BUDGET RESOLUTION VS. APPROPRIATIONS		
	Budget Resolution	Appropriations Measures (including CRs)
Vehicle/Enforcement	Concurrent resolution; binding only on the Congress	Bill or joint resolution presented to the President; legally binding
Application	Discretionary/Mandatory spending and revenue	Discretionary spending
Purpose	Limits on consideration of tax and spending legislation	Legal authority to incur obligations
Level at which limits/appropriations apply	Budget totals, committee allocations, broad functional categories	Individual programs, projects and activities
Duration	1-year and 10-year totals	Mostly 1-year
Other	Special rules and requirements to enforce budget limits	Terms and conditions on appropriated amounts

Other Features of a Budget Resolution. H. Con. Res. 71 also contains various budgetary rules and limits including: limiting on changes in certain mandatory programs and advance appropriations; prohibiting the use of Federal Reserve surpluses as a n offset; and prohibiting the use of guarantee fees as an offset.

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