



HOUSE
BUDGET
COMMITTEE

Budget Digest

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BUILDING A BUDGET RESOLUTION

The recent receipt of the Congressional Budget Office's (CBO) *Budget and Economic Outlook*, also referred to as the "baseline," triggers the ability of the members of the House Budget Committee (HBC) to craft a budget resolution for fiscal year (FY) 2019. In addition to use of CBO's baseline (released this year on April 9, 2018), there are several key components that must be considered in order to write the budget blueprint each fiscal year.

Importance of the Budget. As a *concurrent resolution*, the budget resolution provides Congress with a framework for the subsequent consideration of spending and tax legislation. It is the only legislative vehicle that offers a comprehensive outline of the federal government's finances, providing a roadmap for Congress to address the nation's fiscal challenges. While the budget resolution is not signed into law by the President, it is still an enforceable and binding agreement by which both chambers must abide.

Budget Input. Crafting a budget resolution involves consideration of several items. First, CBO's annual baseline is a critical tool because it provides a neutral benchmark for the next 10 years (i.e. the budget window) and serves as a starting point from which to recommend policy options and determine funding levels. The budget cannot be written without the baseline.

Authorizing committees also help House Budget plan for future policymaking in Congress; this happens through authorizers submitting Views and Estimates, which outline their legislative priorities for the upcoming fiscal year.

Finally, members of the whole House are encouraged to contribute their own ideas for

innovative policy reforms. In writing the blueprint for FY19, HBC continues to collect ideas from members through an online portal launched earlier this year.



Budget Building Blocks. Taking into consideration these key components, the main building blocks for making a budget resolution include:

- Aggregate spending and revenue totals for appropriations and authorizing bills over the budget window (typically 10 years)
- Spending targets by budget functional categories
- Targets for deficits or surpluses and debt
- Reconciliation instructions
- Budget enforcement provisions and spending allocations for committees
- Illustrative policy options on how committees can hit the targets called for in the budget resolution.

With these pieces of the puzzle, members can craft a responsible plan for the future.