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Allocations and Subdivisions in the Congressional Budget Process

Bill Heniff Jr.

Consultant in American National Government
Government and Finance Division

The annual budget resolution sets forth total spending and revenue levels for at least five fiscal years. The spending amounts are allocated, or “crosswalked,” to the House and Senate committees having jurisdiction over discretionary spending (the Appropriations Committees) and direct spending (the legislative committees). The committee allocations provide Congress with one means of enforcing the spending levels of a budget resolution after it has been adopted.

While the budget resolution allocates spending among the 20 major functional categories of the federal budget for the purpose of providing a broad statement of budget priorities, the functional categories do not correspond to the committee system by which Congress operates. The committee allocations reformulate the functional category amounts in a budget resolution to correspond to committee jurisdictions. By allocating the spending among committees responsible for spending legislation, the committee allocations allow Congress to hold its committees accountable for staying within the spending limits established in the budget resolution.

Section 302(a) of the Congressional Budget Act (CBA) of 1974 (titles I-IX of P.L. 93-344) requires that the total budget authority and outlays set forth in the budget resolution be allocated to each House and Senate committee that has jurisdiction over specific spending legislation. These committee allocations usually are included in the joint explanatory statement accompanying a conference report on a budget resolution. Section 302(b) of the CBA requires the Appropriations Committee of each house to subdivide its committee allocation among its 13 subcommittees as soon as practicable after a budget resolution has been adopted. The Appropriations Committees are then required to report these subdivisions to their respective house, and may revise the subdivisions any time during the appropriations process to reflect actions taken on spending legislation. The House and Senate cannot consider any appropriations measures before the Appropriations Committees report their subdivisions. This is enforced through a point of order under section 302(c) of the CBA.

The congressional budget process timetable sets April 15 as the deadline for completion of the annual budget resolution. However, since Congress usually does not meet this deadline, section 302(a)(5) of the CBA, as amended by the Budget Enforcement

Act of 1997 (title X of P.L. 105-33), provides for provisional spending allocations if a budget resolution has not been adopted by April 15. Under these provisions, the chair of the House Budget Committee must submit to the House a section 302(a) spending allocation for the House Appropriations Committee as soon as practicable after April 15. The House Appropriations Committee, in turn, must report its section 302(b) subdivisions to the House as soon as practicable. The House Appropriations Committee's spending allocation and its subdivisions must be consistent with the statutory discretionary spending limits in the most recently adopted budget resolution. The provisional allocations remain in effect until Congress adopts a budget resolution for the current budget year.

Adjustments may be made to the committee allocations when the aggregate spending levels set forth in a budget resolution are adjusted based on certain criteria, under section 314 of the CBA, as amended by the 1997 Budget Enforcement Act. The Appropriations Committees, in turn, must adjust their subcommittee allocations accordingly.

The House and Senate Appropriations Committees have jurisdiction over the 13 regular appropriations acts and other appropriations acts. The Appropriations Committees of each house are divided into 13 parallel subcommittees, each of which is responsible for one of the 13 regular appropriations acts. After extensive hearings, each of the subcommittees reports one of the 13 regular appropriations bills to its respective full committee. Then, the full Appropriations Committees report the bills to their respective chamber. A cost estimate of each bill is prepared and compared to the amount allocated or subdivided to the relevant subcommittee.

Section 302(f) of the CBA prohibits any measure or amendment that would cause the 302(a) or 302(b) allocations to be exceeded. In the House, the committee allocations are the primary focus of enforcement since section 311(c) of the CBA, known as the "Fazio exception," which allows the overall limit of spending to be breached so long as a committee's 302(a) allocation is not exceeded.

The allocation limits are not self-enforcing; a Member must raise a point of order for an allocation to be enforced. The points of order may also be waived. In the House, a "special rule" may be adopted, or unanimous consent may be granted, waiving any budgetary points of order. In the Senate, the point of order against violations of the spending allocations may be waived by a motion under section 904 of the CBA, as amended, or by unanimous consent. Under section 904, a three-fifths vote of all Senators duly sworn and chosen (60 votes if there are no vacancies) is required to waive the point of order. The requirement for a three-fifths vote to waive section 302(f) in the Senate is scheduled to expire after September 30, 2002.

Discretionary spending policies primarily are enforced by this section 302 process. Direct spending policies, on the other hand, are primarily enforced by the reconciliation process. For more information on reconciliation, see CRS Report 98-814 GOV, *Budget Reconciliation Legislation: Development and Consideration*.