

Discretionary Spending: Setting a Topline Amount for FY2025 Appropriations

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Each year, Congress produces appropriations legislation that provides discretionary funding for a broad range of government activities. The House and Senate Appropriations Committees have jurisdiction over such legislation, with each of their 12 respective subcommittees responsible for developing one appropriations bill for the upcoming fiscal year.

To facilitate the development and passage of appropriations legislation, Congress developed a formal process for granting the Appropriations Committees a topline spending limit (sometimes referred to as a 302(a) allocation), which then allows the committees to develop topline spending limits for each of their 12 subcommittees (often referred to as 302(b) suballocations).

That formal process, as described below, anticipates that the House and Senate agree on a budget resolution, which can be a contentious and time-consuming process that can include the chambers negotiating a broad swath of budgetary policy issues. In the past 20 years, Congress has adopted a budget resolution for nine fiscal years. Congress has, therefore, developed alternative methods for establishing an enforceable topline amount for the Appropriations Committees. At least one chamber has used such alternatives for each fiscal year that Congress has not agreed on a budget resolution.

The Budget Resolution

The [Congressional Budget Act of 1974](#) (the Budget Act) created the budget resolution and specifies that Congress adopt it annually. The budget resolution does not become law—no money is spent or collected as a result of its adoption. Instead, once agreed to by both chambers in the exact same form, the budget resolution creates parameters that may be enforced through [points of order](#). (The budget resolution may also be used to trigger the [budget reconciliation process](#).)

A budget resolution must include the following budgetary levels for the upcoming fiscal year and at least four out years: total spending, total revenues, deficit (or surplus), new spending for each major functional category, the public debt, and (in the Senate only) Social Security spending and revenue levels. The Budget Act also requires that the aggregate amounts of spending recommended in the budget resolution be allocated among committees.

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The 302(a) allocation of discretionary spending to the Appropriations Committee effectively sets an enforceable ceiling on total appropriations. The Budget Act further requires the House and Senate Appropriations Committees to subdivide the 302(a) amount among their subcommittees, effectively providing each subcommittee with its own ceiling. These subdivisions are referred to as the 302(b) suballocations. The authority for making 302(b) suballocations belongs to the Appropriations Committees, which may later revise them. Such suballocations become effective (and enforceable) in a chamber once the Appropriations Committee in that chamber has reported them.

Deeming Resolutions

In the absence of agreement on a budget resolution, Congress may employ alternative legislative tools to serve as a substitute. These alternatives are typically referred to as “[deeming resolutions](#),” because they are *deemed* to serve in place of agreement on a budget resolution.

Such mechanisms are not formally defined and have no specifically prescribed content. Instead, they denote the House and Senate, often separately, creating budgetary limits, often on an ad hoc basis. As described below, the mechanisms vary in form and function, but they have always included or referenced certain budgetary levels (e.g., aggregate spending limits and committee spending allocations) and stipulated that such levels are to be enforceable by points of order as if they had been included in a budget resolution.

Sometimes deeming resolutions take the form of a simple resolution adopted by just one chamber. For example, on June 8, 2022, [the House adopted](#) H.Res. 1151 (117th Congress) which, among other things, provided the House Appropriations Committee with a topline spending limit for FY2023 of \$1.603 trillion.

Other times, deeming resolutions have stated that the chairs of the House and Senate Budget Committees shall subsequently file in the *Congressional Record* specified levels that will then become enforceable as if they had been included in a budget resolution. These have often been included in legislation creating or amending statutory limits on discretionary spending (as described below) to create procedural enforcement during congressional development of appropriations.

Statutory Spending Limits

In recent years, discretionary spending has often been limited by spending caps set in statute, divided into separately enforceable amounts for defense and nondefense. For FY2012-FY2021, [statutory spending limits](#) were set in the Budget Control Act of 2011 (P.L. 112-25) and periodically revised in other legislation. For FY2024 and FY2025, statutory spending limits were established in the Fiscal Responsibility Act (FRA; P.L. 118-5), divided into separate amounts for defense and nondefense. These spending limits are enforceable by [sequestration](#) after the end of a congressional session. Frequently, Congress has included provisions in these statutes to treat these spending limits as the equivalent of 302(a) allocations to the Appropriations Committees, making them effectively an enforceable ceiling on total appropriations. Formally, this is done by directing the chairs of the Budget Committees to subsequently file in the *Congressional Record* levels that will then become enforceable as if they had been included in a budget resolution.

For example, the FRA directed each Budget Committee chair to file a 302(a) allocation to the relevant Appropriations Committee that would be consistent with the established spending limits for FY2024. On June 21, 2023, the Senate Budget chair [filed in the *Congressional Record*](#) a 302(a) allocation of \$1.59 trillion (\$886.349 billion in defense and \$703.651 billion in nondefense) to the Senate Appropriations Committee. (There appears to be no record of the House having filed such levels.)

The FRA included a similar provision for FY2025 but only for the Senate.

Setting a Topline for FY2025

Although the House and Senate may not come to an agreement on a budget resolution for FY2025 (the chambers have not adopted a budget resolution when controlled by different parties since 1986), the FRA established statutory spending levels for FY2025 that may act as a guide for development of appropriations. (The limits are \$895.21 billion for defense and \$710.69 billion for nondefense for a total of \$1.606 trillion.)

In addition, the FRA directs the Senate Budget Committee chair to file a 302(a) allocation for the Senate Appropriations Committee after April 15, 2024, but not later than May 15, 2024. While such authority does not currently exist for the House, it could be granted through a deeming resolution.

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