

An hourglass-shaped graphic with a globe in the top bulb and another globe in the bottom bulb. The hourglass is light blue and has a dark blue top and bottom. The globe in the top bulb is dark blue, and the globe in the bottom bulb is light blue. The text is centered within the hourglass.

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February 2, 2009

Congressional Research Service

Report RL32246

Congressional Budget Actions in 2004

Bill Heniff, Jr., Government and Finance Division

December 27, 2004

Abstract. During the second session of the 108th Congress, the House and Senate considered many different budgetary measures. Most of them will pertain to fiscal year 2005 and beyond, but some made adjustments to the budget for FY2004.

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Updated December 27, 2004

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Congressional Budget Actions in 2004

Summary

During 2004, Congress considered many different budgetary measures. Most of them pertained to fiscal year (FY) 2005 and beyond, but some made adjustments to the budget for FY2004. This report describes House and Senate actions on major budgetary legislation within the framework of the congressional budget process and other procedural requirements.

Congress began 2004 with unfinished budgetary matters left over from the previous year. At the start of 2004, only six of the 13 FY2004 regular appropriations acts had been enacted. The federal agencies and programs funded in the seven remaining regular appropriations acts were provided temporary appropriations by successive continuing resolutions. On January 23, 2004, President George W. Bush signed into law the Consolidated Appropriations Act, 2004 (P.L. 108-199), which contains the seven remaining regular appropriations acts, thereby bringing action on the FY2004 regular appropriations acts to a close.

Congress typically begins its annual budget process once the President submits his budget for the upcoming fiscal year. President Bush submitted his FY2005 budget to Congress on February 2, 2004.

The congressional budget process is centered around the adoption of an annual concurrent resolution on the budget. The budget resolution sets forth aggregate spending and revenue levels, and spending levels by major functional area, for at least five fiscal years. Budget resolution policies are implemented through the enactment of reconciliation bills, revenue and debt-limit legislation, and appropriations and other spending measures, and enforced by points of order that may be raised when legislation is pending on the House and Senate floor.

The Senate agreed to its version of the FY2005 budget resolution (S.Con.Res. 95) by a 51-45 vote on March 11; the House agreed to its version (H.Con.Res. 393) by a 215-212 vote on March 25. The House agreed to the conference report to the FY2005 budget resolution (S.Con.Res. 95, H.Rept. 108-498) by a 216-213 vote on May 19. The Senate, however, did not consider the conference report. In the absence of an agreement on the FY2005 budget resolution, the House and Senate separately adopted so-called "deeming resolution" provisions for budget enforcement purposes.

When FY2005 began on October 1, the House had passed 10, and the Senate had passed one, of the 13 regular appropriations acts for FY2005; only one had been signed into law. After October 1, Congress and President Bush completed action on three additional regular appropriations acts for FY2005 individually. The remaining nine of the 13 regular appropriations acts were incorporated into a single omnibus appropriations act, H.R. 4818. On November 20, the House and Senate agreed to the conference report to H.R. 4818, Consolidated Appropriations Act, 2005 (H.Rept. 108-792). On December 8, President Bush signed H.R. 4818 into law (P.L. 108-447), thereby bringing action on the FY2005 regular appropriations acts to a close.

This report will no longer be updated.

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Congressional Budget Actions in 2004

Concluding Actions

Congress adjourned sine die on December 8, 2004. Prior to adjourning, Congress completed action on the regular appropriations acts for FY2005 by incorporating the nine regular appropriations acts not yet enacted individually into a single omnibus appropriations act, H.R. 4818 (originally the Foreign Operations Appropriations Act, 2005). On November 20, the House and Senate agreed to the conference report to H.R. 4818, Consolidated Appropriations Act, 2005 (H.Rept. 108-792). On December 8, President Bush signed H.R. 4818 into law (P.L. 108-447), thereby bringing action on the FY2005 regular appropriations acts to a close.

Introduction

During the second session of the 108th Congress, the House and Senate considered many different budgetary measures. Most of them pertained to FY2005 (referred to as the “budget year”) and beyond. In addition, some made adjustments to the budget for FY2004 (referred to as the “current year”). This report describes House and Senate action on major budgetary legislation within the framework of the congressional budget process and other procedural requirements.¹

Within this procedural framework, Congress considered various budget-related legislation in the context of an unfavorable budget outlook. At the beginning of the year, the Office of Management and Budget (OMB) and the Congressional Budget Office (CBO) projected annual deficits in the unified budget (i.e., including federal funds and trust funds), under existing law without any legislative changes, in each of the next several fiscal years.² For example, OMB projected a \$527 billion unified budget deficit for FY2004, with deficits continuing but declining through FY2009. Similarly, CBO projected a \$477 billion unified budget deficit for FY2004, with a surplus not returning until FY2014. In July and September of 2004, OMB and CBO updated their deficit estimates, revising their unified budget deficit projections for FY2004 to \$444 billion and \$422 billion, respectively.³ While OMB and CBO

¹ For information on budget actions during the first session of the 108th Congress, see CRS Report RL31754, *Congressional Budget Actions in 2003*, by Bill Heniff Jr.

² See OMB, *Budget of the U.S. Government, Fiscal Year 2005* (Washington: GPO, 2004), table S-14, p. 388; and CBO, *The Budget and Economic Outlook: Fiscal Years 2005-2014*, Jan. 2004, table 1.1, p. 1.

³ See OMB, *Mid-Session Review, Budget of the U.S. Government, Fiscal Year 2005* (Washington: GPO, 2004), table 12, p. 49; and CBO, *The Budget and Economic Outlook:*

(continued...)

reduced their deficit estimates for FY2004, both continued to project deficits in each of the next several years, as they had earlier in the year.

Overview of the Congressional Budget Process

The congressional budget process consists of the consideration and adoption of spending, revenue, and debt-limit legislation within the framework of an annual concurrent resolution on the budget.

Congress begins its budget process once the President submits his budget. The President is required by law to submit a comprehensive federal budget no later than the first Monday in February (31 U.S.C. 1105). The President's budget includes estimates of direct spending and revenues under existing laws, as well as requests for discretionary spending (i.e., funds controlled through the appropriations process) for the upcoming fiscal year. In addition, the President frequently proposes new initiatives in his budget submission to Congress. Although Congress is not bound by the President's budget, congressional action on spending and revenue legislation often is influenced by his recommendations, as well as subsequent budgetary activities by the President during the year. OMB assists the President in formulating and coordinating his budget policies and activities.

On February 2, 2004, President Bush submitted his FY2005 budget to Congress. As is the usual practice, the President's budget was submitted as a multi-volume set consisting of a main document that includes the President's budget message and information on his 2005 proposals (*Budget*) and supplementary documents that provide special budgetary analyses (*Analytical Perspectives*), historical budget information (*Historical Tables*), and detailed account and program level information (*Appendix*), among other things.⁴ The President may revise his budget request any time during the year; revisions requested before Congress has acted on the initial request are submitted as budget amendments. After submitting his FY2005 budget in February, President Bush submitted to Congress eight budget amendments, modifying his initial FY2005 budget request, including a request for an additional \$25 billion for the Department of Defense to support operations in Iraq and Afghanistan, which drew considerable attention. In addition, the President also may request supplemental appropriations for the current fiscal year for unanticipated

³ (...continued)

An Update, Sept. 2004, summary table 1, p. x. On October 14, 2004, the OMB director, along with the Treasury secretary, announced that the actual unified budget deficit for FY2004, which ended on September 30, was \$413 billion. See their joint statement at [<http://www.whitehouse.gov/omb/pdf/YearEnd2004.pdf>], visited on December 27, 2004. For further information on the budget projections for FY2005 and beyond, see CRS Report RL32264, *The Budget for Fiscal Year 2005*, by Philip D. Winters.

⁴ These documents are available at [<http://www.whitehouse.gov/omb/budget/fy2005/>].

needs; President Bush submitted six requests for supplemental appropriations, predominately for hurricane-related disaster relief.⁵

On July 30, 2004, President Bush submitted his *Mid-Session Review* of the budget to Congress. This report contains revised estimates of the budget deficit/surplus, receipts, outlays, and budget authority for FY2004 through FY2009, reflecting changed economic conditions and assumptions and congressional actions.⁶

The Congressional Budget Act (CBA) of 1974 (Titles I-IX of P.L. 93-344, 88 Stat. 297-332) established the congressional budget process, including a timetable for congressional action on budget legislation (see **Table 1**). The process is centered around the adoption of an annual concurrent resolution on the budget. The budget resolution sets forth aggregate spending and revenue levels, and spending levels by major functional area, for at least five fiscal years. Because the budget resolution is a concurrent resolution, it is not presented to the President for his signature and thus does not become law. Instead, it is an agreement between the House and Senate on a congressional budget plan, providing a framework for subsequent legislative action on the budget during each congressional session.

Table 1. The Congressional Budget Process Timetable

Date	Action
First Monday in February	President submits budget to Congress.
February 15	Congressional Budget Office submits economic and budget outlook report to Budget Committees.
Six weeks after President submits budget	Committees submit views and estimates to Budget Committees.
April 1	Senate Budget Committee reports budget resolution.
April 15	Congress completes action on budget resolution.
May 15	Annual appropriations bills may be considered in the House, even if action on budget resolution has not been completed.
June 10	House Appropriations Committee reports last annual appropriations bill.
June 15	House completes action on reconciliation legislation (if required by budget resolution).
June 30	House completes action on annual appropriations bills.

⁵ The President's FY2005 budget amendments and supplemental requests are available online at [<http://www.whitehouse.gov/omb/budget/amendments.htm>].

⁶ The document is available at [<http://www.whitehouse.gov/omb/budget/fy2005/>]. For background information on the *Mid-Session Review*, see CRS Report RL32509, *The Mid-Session Review of the President's Budget: Timing Issues*, by Robert Keith.

Date	Action
July 15	President submits mid-session review of his budget to Congress.
October 1	Fiscal year begins.

Source: Section 300 of the Congressional Budget Act of 1974, as amended (P.L. 93-344, 2 U.S.C. 631).

Budget resolution policies are implemented through the enactment of revenue and debt-limit legislation, appropriations and other spending measures, and, if required by the budget resolution, one or more reconciliation bills (see **Table 2**). Congress enforces budget resolution policies through points of order on the floor of each chamber and the reconciliation process. For example, any legislation that would cause the aggregate levels to be violated is prohibited from being considered. Further, the total budget authority and outlays set forth in the budget resolution are allocated among the House and Senate committees having jurisdiction over specific spending legislation. Any legislation, or amendment, that would cause these committee allocations to be exceeded is prohibited. Finally, the House and Senate Appropriations Committees subdivide their allocations among their respective 13 subcommittees. A point of order may be raised against any appropriations act, or amendment, that would cause one of these subdivisions to be exceeded.⁷ The budget resolution also contains spending levels by functional categories (e.g., national defense), but these are not enforceable. Congress also may use reconciliation legislation (discussed further below) to enforce the direct spending, revenue, and debt-limit provisions of a budget resolution.

In addition, the Senate is constrained by discretionary spending limits and a “pay-as-you-go” (PAYGO) requirement, which are enforced through points of order while legislation is being considered on the Senate floor (explained further below). The House does not provide for similar points of order.

For FY1991 through FY2002, Congress and the President also were constrained by statutory limits on discretionary spending and a PAYGO requirement for direct spending and revenue legislation.⁸ Unlike the enforcement procedures associated with the budget resolution, which are employed while legislation is considered on the floor of each chamber, the discretionary spending limits and PAYGO requirement were enforced by a sequestration process, generally after legislative action for a session of Congress ended. These budget enforcement mechanisms, however, expired at the end of FY2002 (i.e., September 30, 2002).

⁷ For more detailed information on these points of order and their application, see CRS Report 97-865, *Points of Order in the Congressional Budget Process*, by James V. Saturno.

⁸ These constraints were first established by the Budget Enforcement Act (BEA) of 1990 (Title XIII of P.L. 101-508, Omnibus Budget Reconciliation Act of 1990, 104 Stat. 1388-573-1388-630), which amended the Balanced Budget and Emergency Deficit Control Act of 1985 (Title II of P.L. 99-177, 99 Stat. 1038-1101).

During 2004, President Bush, among others, proposed setting new discretionary spending limits and restoring a modified version of the PAYGO requirement.⁹ For this reason, the last section of this report provides an overview of how those procedures operated before they expired in 2002.

⁹ In his FY2005 budget, among other budget reform initiatives, President Bush proposed to set discretionary spending limits for FY2005 through FY2009 and to restore the PAYGO requirement for direct spending legislation only. See OMB, *Analytical Perspectives, Budget of the U.S. Government, Fiscal Year 2005*, pp. 215-216. In addition, on March 19, 2004, the House Budget Committee reported legislation (H.R. 3973, H.Rept. 108-442) establishing new discretionary spending limits for FY2005 through FY2009 and restoring the PAYGO requirement for direct spending legislation only. On June 25 (legislative day, June 24), the House considered and rejected budget process legislation (H.R. 4663) by a 146-268 vote. For the consideration on the House floor, see *Congressional Record*, daily edition, vol. 150 (June 24, 2004), pp. H4898-H4908, H4961-H5066.

Table 2. Mapping Spending and Revenue Legislation through the Congressional Budget Process

The annual **budget resolution** functions as the centerpiece of the congressional budget process by setting forth aggregate spending and revenue levels for at least five fiscal years. Budget resolution policies are implemented through the enactment of appropriations and other spending measures, revenue legislation, and, if required by the budget resolution, one or more reconciliation bills. Spending amounts are allocated among each House and Senate committee with jurisdiction over specific spending legislation.

*Discretionary Spending
and Appropriated Entitlements*

- Full Appropriations Committee subdivides its spending allocation [302(a) allocation] among its subcommittees [302(b) allocations].
- Each of the 13 appropriations subcommittees holds hearings and drafts one of the 13 regular appropriations acts.
- Full Appropriations Committee reports each appropriations act, which must not exceed the respective 302(b) allocation.
- Full chamber considers and adopts each appropriations act.
- House and Senate resolve differences in conference committees.
- House and Senate separately agree to conference report to each appropriations act.
- President signs each appropriations act into law.
- From time to time, Congress and the President merge two or more regular appropriations acts into an omnibus appropriations act.

Mandatory Spending and Revenues

If the annual budget resolution *contains* optional *reconciliation* instructions, Congress considers legislation changing mandatory spending, or revenues, or both, through the reconciliation process.

— or —

Separate from any reconciliation directives, Congress may consider and adopt individual mandatory spending or revenue legislation.

— Each legislative committee directed to do so recommends legislative changes to existing law to achieve the mandatory spending or revenue levels set forth in the budget resolution and submits these *reconciliation* recommendations to the Budget Committee by a date certain.

— Budget Committee packages the committees' legislative recommendations into one or more omnibus *reconciliation* measures, "without any substantive revision."

— Full chamber considers any omnibus *reconciliation* measure under special procedures that limit the measure's contents and floor debate.

— House and Senate resolve differences in conference committee.

— House and Senate separately agree to conference report to omnibus *reconciliation* legislation.

— President signs omnibus *reconciliation* legislation into law.

— Each legislative committee may hold hearings and consider legislation referred to it or draft original legislation.

— Each committee may report to its parent chamber mandatory spending or revenue legislation, which must not cause direct spending under the committee's jurisdiction to exceed its spending ceiling [302(a) allocation], cause revenues to fall below the revenue floor set forth in the budget resolution, or violate the Senate's PAYGO requirement.

— Full chamber considers individual mandatory spending or revenue legislation.

— House and Senate resolve differences in conference committees.

— House and Senate separately agree to conference reports to individual mandatory spending or revenue legislation.

— President signs individual mandatory spending or revenue legislation into law.

Budget Resolution

The Congressional Budget Act, as amended, establishes the concurrent resolution on the budget as the centerpiece of the congressional budget process. The budget resolution sets forth aggregate spending and revenue levels, and spending levels by major functional area, for at least five fiscal years. Once adopted, it provides the framework for subsequent action on budget-related legislation.

Following the submission of the President's budget early in the year, Congress begins formulating the budget resolution. The House and Senate Budget Committees are responsible for developing and reporting the budget resolution. In formulating it, the Budget Committees hold hearings and receive testimony from Members of Congress and representatives from federal departments and agencies, the general public, and national organizations. Two regular hearings include separate testimony from the CBO director and the OMB director. On January 27, 2004, CBO Director Douglas Holtz-Eakin presented CBO's baseline budget projections for FY2005-FY2014 during separate testimony to the House and Senate Budget Committees.¹⁰ On February 3 and 5, OMB Director Joshua B. Bolten provided an overview of President Bush's budget request before the House and Senate Budget Committees, respectively.¹¹

The congressional budget resolution, like the President's budget, is based on budget baselines (see **Table 3**). The budget baseline is a projection of federal revenue, spending, and deficit or surplus levels based upon current policies, assuming certain economic conditions. The President's budget baseline, referred to as current services estimates, is included in the budget documents submitted to Congress.¹² The President's baseline usually differs from CBO's baseline, referred to as baseline budget projections, because of different economic and technical assumptions. Baseline projections provide a benchmark for measuring the budgetary effects of proposed policy changes. On January 26, 2004, CBO released its annual report on budget baseline projections, *The Budget and Economic Outlook: Fiscal Years 2005-2014*.¹³ On March 8, CBO released its revised budget baseline projections in its

¹⁰ Mr. Holtz-Eakin's written testimony to the House Budget Committee is available at [<http://www.cbo.gov/showdoc.cfm?index=4988&sequence=0>] and to the Senate Budget Committee at [<http://www.cbo.gov/showdoc.cfm?index=4987&sequence=0>], visited on December 27, 2004.

¹¹ Mr. Bolton's written testimony to the House Budget Committee is available from that committee's website, at [<http://www.house.gov/budget/hearings/danielsstmnt020403.htm>]; his written testimony to the Senate Budget Committee is available from its website at [<http://www.senate.gov/~budget/republican/hearingarchive/testimonies/2004/5feb2004testimony.pdf>], visited on December 27, 2004.

¹² See the summary table S-14 in the main *Budget* volume, p. 388, and chapter 24 of the *Analytical Perspectives* volume, pp. 357-371, for detailed baseline estimates. OMB, *Budget of the U.S. Government, Fiscal Year 2005*.

¹³ The report is available at [<http://www.cbo.gov/showdoc.cfm?index=4985&sequence=0>], visited on December 27, 2004.

report *An Analysis of the President's Budgetary Proposals for Fiscal Year 2005*.¹⁴ The report also contains estimates of the President's proposals using CBO's economic and technical assumptions, and provides an analysis of the potential macroeconomic effects of the President's budgetary proposals.

Table 3. Budget Baselines, FY2004-FY2009
(in billions of dollars)

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	Total, FY2005- FY2009
Office of Management and Budget — July 2004							
(current services estimates — without President Bush's budget proposals)							
Outlays	2,319	2,400	2,489	2,611	2,749	2,886	13,135
Revenues	1,875	2,108	2,255	2,394	2,546	2,683	11,986
Total Surplus/Deficit (-)	-444	-292	-234	-217	-204	-202	-1,149
On-budget	-599	-473	-431	-434	-440	-454	-2,232
Off-budget ^a	155	181	198	217	237	252	1,085
(current services estimates — with President Bush's budget proposals)							
Outlays	2,319	2,423	2,500	2,623	2,762	2,895	13,203
Revenues	1,874	2,091	2,239	2,391	2,534	2,665	11,920
Total Surplus/Deficit (-)	-445	-331	-261	-233	-228	-229	-1,282
On-budget	-600	-512	-458	-450	-466	-481	-2,367
Off-budget ^a	155	180	198	217	237	252	1,084
Congressional Budget Office — September 2004							
(updated budget baseline projections)							
Outlays	2,293	2,442	2,577	2,714	2,849	2,985	13,568
Revenues	1,871	2,094	2,279	2,406	2,531	2,673	11,983
Total Surplus/Deficit (-)	-422	-348	-298	-308	-318	-312	-1,584
On-budget	-574	-521	-491	-519	-546	-554	-2,631
Off-budget ^a	153	173	193	211	228	242	1,047

Sources: Office of Management and Budget, *Mid-Session Review, Budget of the United States Government, Fiscal Year 2005* (Washington: GPO, 2004), pp. 42, 49; Congressional Budget Office, *The Budget and Economic Outlook: An Update*, Sept. 2004, p. x.

Note: Details may not add to totals due to rounding.

a. Off-budget surpluses comprise surpluses in the Social Security trust funds as well as the net cash flow of the Postal Service.

Another source of input comes from the “views and estimates” of congressional committees with jurisdiction over spending and revenues. Within six weeks after the President's budget submission, each House and Senate committee is required to submit views and estimates of budget matters under its jurisdiction to its respective Budget Committee. These views and estimates, frequently submitted in the form of a letter to the chair and ranking minority Member of the Budget Committee, typically

¹⁴ The report is available at [<http://www.cbo.gov/showdoc.cfm?index=5151&sequence=0>], visited on December 27, 2004.

include comments on the President's budget proposals and estimates of the budgetary impact of any legislation likely to be considered during the current session of Congress. The Budget Committees are not bound by these recommendations. The views and estimates of Senate committees are printed in the committee print to accompany the FY2005 budget resolution (S.Prt. 108-365, pp. 63-239); the views and estimates of House committees are printed in a separate committee print (Serial no. CP-3).

The budget resolution was designed to provide a framework for making budget decisions, leaving specific program determinations to House and Senate Appropriations Committees and other committees with spending and revenue jurisdiction. In many instances, however, particular program changes are considered when the budget resolution is formulated. Program assumptions sometimes are referred to in the reports of the House and Senate Budget Committees and usually are discussed during floor action. Although these program changes are not binding, committees may be strongly influenced by the recommendations when formulating appropriations bills, reconciliation measures, or other budgetary legislation.

The Senate Budget Committee marked up and voted to report the Senate version of the FY2005 budget resolution (S.Con.Res. 95, S.Prt. 108-365) by a vote of 12-10 on March 4. During markup, the committee considered 26 amendments to the chairman's mark; eight amendments were adopted and 18 amendments were rejected.¹⁵ The House Budget Committee marked up and voted to report the House version of the FY2005 budget resolution (H.Con.Res. 393, H.Rept. 108-441) by a vote of 24-19 on March 17. During markup, the committee considered 33 amendments to the chairman's mark; two amendments were adopted, 30 amendments were rejected, and one amendment was withdrawn.¹⁶

The congressional budget process timetable sets April 15 as a target date for final adoption of the budget resolution. The CBA prohibits the consideration of spending, revenue, or debt-limit legislation for the upcoming year until the budget resolution has been adopted, unless the rule is waived or set aside. The Senate and House consider the budget resolution under procedures generally intended to expedite final action.

The Senate considers the budget resolution under the procedures set forth in the CBA, sometimes as modified by a unanimous consent agreement. Debate on the initial consideration of the budget resolution, and all amendments, debatable motions, and appeals, is limited to 50 hours. Amendments, motions, and appeals may be considered beyond this time limit, but without debate. The Senate considered its

¹⁵ For a description of the amendments and the roll call votes, see U.S. Congress, Senate Committee on the Budget, *Concurrent Resolution on the Budget FY2005*, committee print to accompany S.Con.Res. 95, 108th Cong., 2nd sess., S.Prt. 108-365, Mar. 2004 (Washington: GPO, 2004), pp. 59-63.

¹⁶ For a description of the amendments and the roll call votes, see U.S. Congress, House Committee on the Budget, *Concurrent Resolution on the Budget — Fiscal Year 2005*, report to accompany H.Con.Res. 393, 108th Cong., 2nd sess., H.Rept. 108-441, Mar. 19, 2004 (Washington: GPO, 2004), pp. 109-139.

version of the FY2005 budget resolution on March 8, 9, 10, 11, and 12. During consideration of S.Con.Res. 95, the Senate considered 64 amendments; 39 amendments were adopted, 19 amendments were rejected, four amendments were withdrawn, and two amendments fell on points of order. On March 12 (legislative day, March 11), the Senate agreed to S.Con.Res. 95, as amended, by a 51-45 vote.¹⁷

In the House, the budget resolution usually is considered under a special rule, limiting the time of debate and allowing only a few amendments, as entire substitutes to the concurrent resolution. On March 24, the House began consideration of H.Con.Res. 393 under a unanimous consent agreement providing for six hours of general debate.¹⁸ On March 25, the House considered H.Con.Res. 393 under a structured rule (H.Res. 574, H.Rept. 108-446) reported by the House Rules Committee. The special rule provided for further consideration of H.Con.Res. 393 and made in order only the four amendments in the nature of a substitute printed in the House Rules Committee report. The House agreed to H.Res. 574 by voice vote after agreeing to order the previous question by a vote of 222-201. During consideration of the FY2005 budget resolution, the House rejected the four amendments made in order by the special rule. The House subsequently agreed to H.Con.Res. 393 by a 215-212 vote.¹⁹ On March 29, the House agreed to the Senate's budget resolution (S.Con.Res. 95), with the text of the House-passed version (H.Con.Res. 393) inserted as an amendment.²⁰

The Senate and House convened a conference committee to resolve the differences between the two versions of the FY2005 budget resolution. On May 19 (legislative day, May 18), 2004, the conference committee filed a conference report (H.Rept. 108-498) on the FY2005 budget resolution (S.Con.Res. 95). The conference report sets forth appropriate budget levels for FY2005 as follows: \$1,454.6 billion in revenues; \$2,005.1 billion in budget authority; \$1,996.0 billion in outlays; and \$541.4 billion in the on-budget deficit.²¹ On the same day (legislative day, May 19), the House agreed to the conference report by a 216-213 vote.²² The Senate, however, did not consider the conference report. Congress, therefore, did not

¹⁷ For the consideration and adoption of the Senate version of the FY2005 budget resolution, see *Congressional Record*, daily edition, vol. 150 (Mar. 8-11, 2004), pp. S2256-S2294, S2377-S2403, S2404-S2423, S2465-S2537, S2591-S2641, S2643-S2699.

¹⁸ For the unanimous consent agreement, see *Congressional Record*, daily edition, vol. 150 (Mar. 23, 2004), p. H1344. For the general debate on H.Con.Res. 393, see *Congressional Record*, daily edition, vol. 150 (Mar. 24, 2004), pp. H1415-H1440, H1443-H1466.

¹⁹ For the consideration and adoption of H.Res. 574 and H.Con.Res. 393, see *Congressional Record*, daily edition, vol. 150 (Mar. 25, 2004), pp. H1487-H1493, H1495-H1565.

²⁰ See *Congressional Record*, daily edition, vol. 150 (Mar. 29, 2004), p. H1611.

²¹ The totals in the budget resolution do not include the revenues and outlays of the Social Security trust funds or the net cash flow of the U.S. Postal Service (i.e., the only off-budget entities).

²² The conference report was considered under a special rule (H.Res. 649, H.Rept. 108-500), which was agreed to by a 220-204 vote. For the consideration and adoption of H.Res. 649 and the conference report to S.Con.Res. 95, see *Congressional Record*, daily edition, vol. 150 (May 19, 2004), pp. H3236-H3241, H3256-H3257, H3358-H3369.

complete action on a FY2005 budget resolution in 2004 — the third time Congress did not complete action on a budget resolution since the creation of the congressional budget process and the second time in the last three years.²³

A major obstacle to reaching an agreement on the FY2005 budget resolution reportedly was a provision in the Senate-passed version (Section 408 of S.Con.Res. 95) that would have required all tax cuts and mandatory spending increases be offset by an equivalent tax increase, mandatory spending cut, or combination of the two (a modified version of the existing pay-as-you-go, or PAYGO, point of order in the Senate); the requirement would have expired on September 30, 2009.²⁴ The House-passed version (H.Con.Res. 393), agreed to on March 25, included no such provision. The conference report, as agreed to by the House but not considered by the Senate, included a provision (Section 407 of S.Con.Res. 95, H.Rept. 108-498) similar to the Senate version, but it exempted the reconciliation legislation provided for in the budget resolution (Title II) and expired on April 15, 2005.

In the absence of an agreement on the FY2005 budget resolution, the House and Senate separately adopted so-called “deeming resolution” provisions for budget enforcement purposes.²⁵ The House included a provision in the special rule (Section 2 of H.Res. 649) governing the consideration of the conference report to S.Con.Res. 95 “deeming” the conference report to have been agreed to by Congress.²⁶ As a result, the provisions of the conference report and the joint explanatory statement, such as the committee spending allocations [the 302(a)s] and the subsequent Appropriations Committee subdivisions [the 302(b)s], may be enforced in the House under the procedures of the Congressional Budget Act. Subsequently, on June 24,

²³ For historical information on budget resolutions, see CRS Report RL30297, *Congressional Budget Resolutions: Selected Statistics and Information Guide*, by Bill Heniff Jr.

²⁴ For further information on the existing PAYGO point of order in the Senate, see CRS Report RL31943, *Budget Enforcement Procedures: Senate’s Pay-As-You-Go (PAYGO) Rule*, by Bill Heniff Jr.

²⁵ In years Congress is late in adopting, or does not adopt, a budget resolution, the House and Senate independently may adopt a “deeming resolution” for the purpose of enforcing certain budget levels. A deeming resolution, typically in the form of a simple resolution, specifies certain budget levels normally contained in the budget resolution, including aggregate spending and revenue levels, spending allocations to House and Senate committees, spending allocations to the Appropriations Committees only, or a combination of these. In some cases, an entire budget resolution, earlier adopted by one chamber, may be deemed to have been passed. Under a deeming resolution, the enforcement procedures related to the Congressional Budget Act, discussed later in this report, have the same force and effect as if Congress had adopted a budget resolution. For further information on “deeming resolutions,” see CRS Report RL31443, *The “Deeming Resolution”: A Budget Enforcement Tool*, by Robert Keith.

²⁶ The House agreed to H.Res. 649 (H.Rept. 108-500) by a 220-204 vote on May 19, 2004. For the consideration and adoption of H.Res. 649, see *Congressional Record*, daily edition, vol. 150 (May 19, 2004), pp. H3236-H3241, H3256-H3257.

2004, the House considered and rejected a resolution (H.Res. 685) revising the FY2005 budget resolution, as it applies in the House, by a vote of 184-230.²⁷

The Senate included a provision in the Defense Appropriations Act, 2005 (H.R. 4613, H.Rept. 108-622) setting forth the FY2005 spending allocations for the Senate Appropriations Committee. President Bush signed the act into law (P.L. 108-287) on August 5, 2004. Section 14007 of the act established new limits on the total amounts, subject to certain adjustments and exemptions, for the FY2005 regular appropriations acts: \$821.4 billion in new budget authority and \$905.3 billion in outlays.²⁸ Under the provisions of this section, these limits and the subsequent subdivisions [302(b)s] reported by the Senate Appropriations Committee may be enforced in the Senate under the procedures of the Congressional Budget Act. Senate committees other than the Appropriations Committee, however, continued to be limited by the spending allocations [302(a)s] associated with the FY2004 budget resolution (H.Con.Res. 95, H.Rept. 108-71).

Reconciliation Legislation

Congress may implement changes to existing law related to direct spending, revenues, or the debt limit through the reconciliation process, under Section 310 of the CBA. The reconciliation process has two stages. First, Congress includes reconciliation instructions in a budget resolution directing one or more committees to recommend changes in statute to achieve the levels of spending, revenues, and debt limit agreed to in the budget resolution. Second, the legislative language recommended by these committees is packaged “without any substantive revision” into one or more reconciliation bills, as set forth in the budget resolution, by the House and Senate Budget Committees. In some instances, a committee may be required to report its legislative recommendations directly to its chamber.

Once reconciliation legislation is reported, it is considered under special procedures. These special rules serve to limit what may be included in reconciliation legislation, to prohibit certain amendments, and to encourage its completion in a timely fashion. In the House, as with the budget resolution, reconciliation legislation usually is considered under a special rule, establishing the time allotted for debate and what amendments will be in order. In the Senate, debate on a budget reconciliation bill, and on all amendments, debatable motions, and appeals, is limited to not more than 20 hours. After the 20 hours of debate has been reached, consideration of amendments, motions, and appeals may continue, but without debate.

In both chambers, the CBA requires that amendments to reconciliation legislation be deficit neutral and germane. Also, the CBA prohibits the consideration

²⁷ For the consideration of H.Res. 685, see *Congressional Record*, daily edition, vol. 150 (June 24, 2004), pp. H4908-H4922.

²⁸ The section also repealed the FY2005 discretionary spending limit contained in the FY2004 budget resolution (Section 504 of H.Con.Res. 95).

of reconciliation legislation, or any amendment to a reconciliation bill, recommending changes to the Social Security program. Finally, in the Senate, Section 313 of the CBA, commonly referred to as the Byrd rule, prohibits extraneous matter in a reconciliation bill.²⁹

Both the Senate and House versions of the FY2005 budget resolution provided for reconciliation legislation covering the period FY2005-FY2009. The Senate-passed version, agreed to on March 12, 2004, provided for two reconciliation measures: one to cut taxes by about \$82.6 billion and the other to increase the statutory debt limit by \$644 billion. The House-passed version, agreed to on March 25, also provided for two reconciliation measures: one to cut taxes by about \$137.9 billion and the other to cut mandatory spending by about \$13.2 billion.

The conference report to the FY2005 budget resolution (S.Con.Res. 95, H.Rept. 108-498), which was filed on May 19 (legislative day, May 18), 2004, provided for two reconciliation measures. The reconciliation directives required the Senate Finance Committee and the House Ways and Means Committee to report no later than September 30, 2004, legislation to reduce revenues by \$22.9 billion and increase outlays by \$4.6 billion.³⁰ The reconciliation directives also required the Senate Finance Committee to report no later than September 10, 2004, legislation to increase the statutory debt limit by \$689.946 billion. As noted above, however, while the House agreed to the conference report to the FY2005 budget resolution on May 19, the Senate did not act on it. Reconciliation legislation can be triggered only by the adoption of the conference report by both chambers; therefore, no reconciliation legislation was considered in 2004.

Revenue and Debt-Limit Legislation

Congress may adopt individual revenue and debt-limit measures without employing the optional reconciliation process as well.

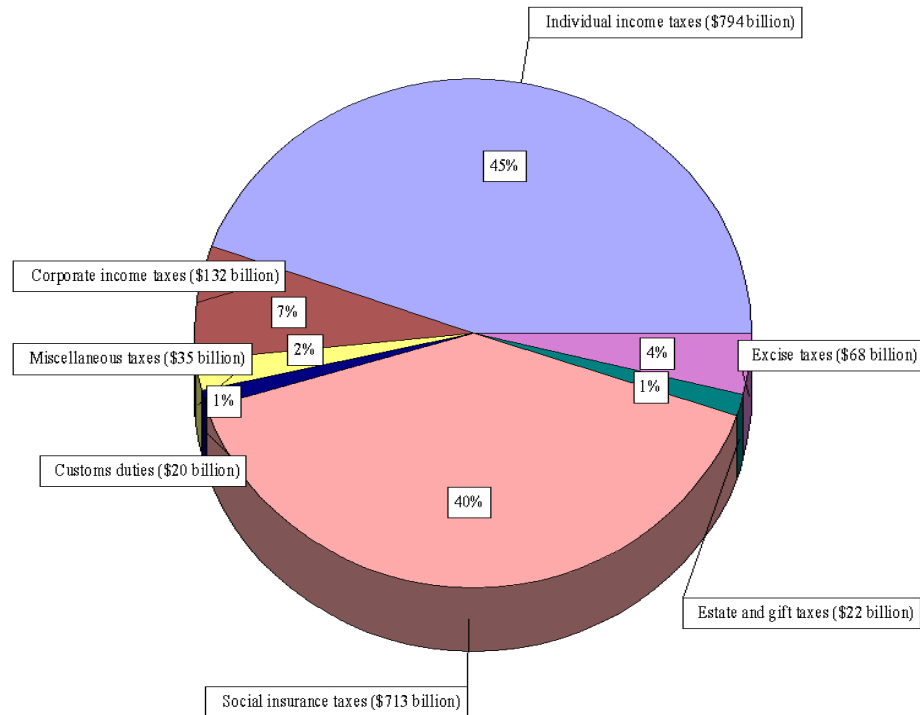
Revenue Legislation. Revenue, as well as debt-limit, legislation is under the jurisdiction of the House Ways and Means Committee and the Senate Finance Committee. Article I, Section 7, of the U.S. Constitution requires that revenue legislation originate in the House of Representatives, but the Senate has considerable latitude to amend a revenue bill received from the House.

²⁹ For detailed information on the Byrd rule, see CRS Report RL30862, *Budget Reconciliation Procedures: The Senate's "Byrd Rule,"* by Robert Keith.

³⁰ While the reconciliation directives do not require any particular tax policy changes, the joint explanatory statement of the committee of conference suggests that the total amount of \$27.5 billion would have accommodated a one-year extension of "the \$1,000 child credit, the marriage penalty relief, and the 10 percent marginal tax rate bracket." See U.S. Congress, Committee on Conference, *Concurrent Resolution on the Budget for Fiscal Year 2005*, conference report to accompany S.Con.Res. 95, 108th Cong., 2nd sess., H.Rept. 108-498 (Washington: GPO, 2004), p. 88.

Most of the laws establishing the federal government's revenue sources are permanent and continue year after year without any additional legislative action (see **Figure 1**).³¹ Congress, however, typically enacts revenue legislation, changing some portion of the existing tax system or renewing expiring provisions, every year. Revenue legislation may include changes to individual and corporate income taxes, social insurance taxes, excise taxes, or tariffs and duties.

Figure 1. Actual FY2003 Revenues by Source



Revenue legislation is not considered automatically in the congressional budget process on an annual basis. Frequently, however, the President proposes and Congress considers changes in the rates of taxation or the distribution of the tax burden. An initial step in the congressional budget process is the publication of revenue estimates of the President's budget by CBO. On March 8, CBO released its report, *An Analysis of the President's Budgetary Proposals for Fiscal Year 2005*, which contains estimates of the President's proposals using CBO's economic and technical assumptions and provides an analysis of the potential macroeconomic effects of the President's budgetary proposals.³² These revenue estimates usually

³¹ Chart created by CRS based on data from Congressional Budget Office, *The Budget and Economic Outlook: Fiscal Years 2005-2014*, p. 131.

³² The report is available at [<http://www.cbo.gov/showdoc.cfm?index=5151&sequence=0>], (continued...)

differ from the President's, since they are based on different economic and technical assumptions (e.g., growth of the economy and change in the inflation rate). Cost estimates of any congressional revenue proposals are prepared by CBO, based on revenue estimates made by the Joint Committee on Taxation (JCT), and are published in committee reports or in the *Congressional Record*, as well as available on JCT's website.³³

The budget resolution includes baseline estimates of federal government revenues based on the continuation of existing laws and any proposed policy changes. The revenue levels in the budget resolution provide the framework for any action on revenue measures during the session. A point of order may be raised against the consideration of legislation that causes revenues to fall below the agreed upon levels for the first fiscal year or the total for all fiscal years in the budget resolution. This point of order may be set aside by unanimous consent, or waived by a special rule in the House or by a three-fifths vote in the Senate.

A Senate PAYGO point of order, under Section 505 of the FY2004 budget resolution (H.Con.Res. 95, 108th Congress), also may be raised against any revenue legislation *not assumed in the most recently adopted budget resolution* that would increase or cause an on-budget deficit for the first fiscal year, the period of the first five fiscal years, or the following five fiscal years, covered by the most recently adopted budget resolution.³⁴ A motion to waive the point of order requires a three-fifths vote (i.e., 60 Senators if there are no vacancies).

During the second session of the 108th Congress, Congress acted on several revenue measures. The House, in April and May 2004, for example, adopted separate legislation to permanently extend the marriage penalty relief (H.R. 4181), to extend to 2005 the alternative minimum tax relief (H.R. 4227), to permanently extend the 10% individual income tax rate bracket (H.R. 4275), and to increase the child tax credit (H.R. 4359).³⁵ Subsequently, on September 23, 2004, the House and Senate agreed to the conference report (H.Rept. 108-696) to accompany H.R. 1308, the Working Families Tax Relief Act of 2004, by votes of 339-65 and 92-3,

³² (...continued)

visited on December 27, 2004.

³³ [<http://www.house.gov/jct/>].

³⁴ The joint explanatory statement of the committee of conference on the FY2004 budget resolution indicates that the budget resolution assumed direct spending increases and revenue reductions totaling \$1,755.957 billion over the period FY2003-FY2013. See U.S. Congress, Committee on Conference, *Concurrent Resolution on the Budget for Fiscal Year 2004*, conference report to accompany H.Con.Res. 95, 108th Cong., 1st sess., H.Rept. 108-71 (Washington: GPO, 2003), pp. 122-123.

³⁵ The House adopted H.R. 4181 by a 323-95 vote on April 28, H.R. 4227 by a 333-89 vote on May 5, H.R. 4275 by a 344-76 vote on May 13, and H.R. 4359 by a 271-139 vote on May 20. For the estimated budget effects of these measures, see the revenue estimates by the Joint Committee on Taxation available at [<http://www.house.gov/jct/x-31-04.pdf>], [<http://www.house.gov/jct/x-32-04.pdf>], [<http://www.house.gov/jct/x-34-04.pdf>], and [<http://www.house.gov/jct/x-37-04.pdf>], respectively, visited on December 27, 2004.

respectively.³⁶ President Bush signed H.R. 1308 into law (P.L. 108-311) on October 4. P.L. 108-311 extends several individual income tax provisions enacted in the Economic Growth and Tax Relief Reconciliation Act of 2001 and modified by the Jobs and Growth Tax Relief Reconciliation Act of 2003, establishes a uniform definition of a qualifying child, and extends other provisions of the Internal Revenue Code that are scheduled to expire or have already expired.³⁷ The Congressional Budget Office and the Joint Committee on Taxation estimate that the legislation would reduce revenues by \$122 billion and increase outlays by \$24 billion over the 10-year period covering FY2005-FY2014.³⁸

Congress also acted on legislation primarily affecting business taxes. On May 11, 2004, the Senate adopted by a 92-5 vote S. 1637, the Jumpstart Our Business Strength (JOBS) Act.³⁹ On June 17, the House passed similar legislation, H.R. 4520, the American Jobs Creation Act of 2004, by a 251-178 vote.⁴⁰ After resolving the differences between their respective versions,⁴¹ the House and Senate agreed to the conference report (H.Rept. 108-755) to accompany H.R. 4520 by votes of 280-141

³⁶ In the House, the conference report was considered under a special rule (H.Res. 794, H.Rept. 108-699), which was agreed to by a 235-167 vote. For the House consideration and adoption of H.Res. 794 and the conference report to H.R. 1308, see *Congressional Record*, daily edition, vol. 150 (Sept. 23, 2004), pp. H7514-H7540. For the Senate consideration and adoption of the conference report to H.R. 1308, see *Congressional Record*, daily edition, vol. 150 (Sept. 23, 2004), pp. S9560-S9580.

³⁷ H.R. 1308, as originally adopted by the House on March 19, 2003, contained provisions to end certain abusive tax practices and to provide tax relief and simplification (see the JCT revenue estimate at [<http://www.house.gov/jct/x-18-03.pdf>], visited on December 27, 2004), but subsequently was amended by the Senate (on June 5, 2003) and the House (on June 12, 2003) to include primarily child tax credit provisions (see the JCT revenue estimates online at [<http://www.house.gov/jct/x-58-03.pdf>] and [<http://www.house.gov/jct/x-61-03.pdf>], both visited on December 27, 2004).

³⁸ CBO, *Cost Estimate for H.R. 1308, Working Families Tax Relief Act of 2004*, September 30, 2004, available at [<http://www.cbo.gov/showdoc.cfm?index=5868&sequence=0>], and JCT, *Estimated Revenue Effects of the Conference Agreement for H.R. 1308, the "Working Families Tax Relief Act of 2004,"* (JCX-60-04), Sept. 23, 2004, available at [<http://www.house.gov/jct/x-60-04.pdf>], both visited on December 27, 2004.

³⁹ For an estimate of the revenue effects of S. 1637, see Joint Committee on Taxation, *Estimated Revenue Effects of S. 1637, the "Jumpstart Our Business Strength ('JOBS') Act," As Passed the Senate*, (JCX-36-04), May 20, 2004, available at [<http://www.house.gov/jct/x-36-04.pdf>], visited on December 27, 2004.

⁴⁰ For an estimate of the revenue effects of H.R. 4520, see Joint Committee on Taxation, *Estimated Revenue Effects of H.R. 4250, the "American Jobs Creation Act of 2004," As Passed the House of Representatives*, (JCX-45-04), June 22, 2004, available at [<http://www.house.gov/jct/x-45-04.pdf>], visited on December 27, 2004.

⁴¹ For a comparison of the two versions, see CRS Report RL32444, *Comparison of the House and Senate ETI/Business Investment Bills (H.R. 4520 and S. 1637, 108th Congress)*, by David L. Brumbaugh; and Joint Committee on Taxation, *Comparison Of The Estimated Budget Effects Of H.R. 4520, The "American Jobs Creation Act Of 2004," As Passed By The House Of Representatives, And H.R. 4520, The "Jumpstart Our Business Strength ('JOBS') Act," As Amended By The Senate*, (JCX-53-04), July 23, 2004, available at [<http://www.house.gov/jct/x-53-04.pdf>], visited on December 27, 2004.

on October 7 and 69-17 on October 11, respectively.⁴² President Bush signed H.R. 4520 into law (P.L. 108-357) on October 22. The Congressional Budget Office and the Joint Committee on Taxation estimate that the legislation would increase the deficit by \$5.7 billion in FY2005, by \$8.8 billion over the five-year period covering FY2005-FY2009, and by about \$350 million over the 10-year period covering FY2005-FY2014.⁴³

Debt-Limit Legislation. The amount of money the federal government is allowed to borrow generally is subject to a statutory limit (31 U.S.C. 3101). From time to time, Congress adopts legislation to raise this limit.⁴⁴

Federal debt consists of debt held by the public plus debt held by government accounts. The debt held by the public represents the total net amount borrowed from the public to cover all or most of the federal government's budget deficits. By contrast, the debt held by government accounts represents the total net amount of federal debt issued to specialized federal accounts, primarily trust funds (e.g., Social Security). Trust fund surpluses by law must be invested in special (non-negotiable) federal government securities and thus are held in the form of federal debt. The combination of both types of debt is subject to the statutory public debt limit. Therefore, budget deficits or trust fund surpluses may contribute to the federal government reaching the existing debt limit.

The annual congressional budget resolution specifies the appropriate level of the public debt for each fiscal year covered by the resolution. Although the budget resolution does not become law itself, the specified debt limits serve as a guide for any necessary debt-limit legislation.

Congress may develop debt-limit legislation in any of three ways: (1) under regular legislative procedures; (2) under House Rule XXVII; or (3) as part of reconciliation legislation (as described above). The House Ways and Means Committee and the Senate Finance Committee have jurisdiction over debt-limit legislation.

⁴² In the House, the conference report was considered under a special rule (H.Res. 830, H.Rept. 108-762), which was agreed to by voice vote. For the House consideration and adoption of H.Res. 830 and the conference report to H.R. 4520, see *Congressional Record*, daily edition, vol. 150 (Oct. 7, 2004), pp. H8704-H8726. For the Senate consideration and adoption of the conference report to H.R. 4520, see *Congressional Record*, daily edition, vol. 150 (Oct. 9, 10, and 11, 2004), pp. S10928-S10945, S11019-S11068, S11191-S11222. During the consideration, the Senate voted to invoke cloture, thereby limiting debate on the conference report to H.R. 4520, by a 66-14 vote on October 10.

⁴³ CBO, *Cost Estimate for H.R. 4520, American Jobs Creation Act of 2004*, Revised November 9, 2004, available at [<http://www.cbo.gov/showdoc.cfm?index=6007&sequence=0>], visited on December 27, 2004.

⁴⁴ For further information on debt-limit legislation, see CRS Report RS21519, *Legislative Procedures for Adjusting the Public Debt Limit: A Brief Overview*, by Robert Keith and Bill Heniff Jr.; and CRS Report RL31967, *The Debt Limit: The Need for Increases*, by Philip D. Winters.

House Rule XXVII (commonly referred to as the Gephardt rule after its author, Representative Richard Gephardt) provides that a joint resolution specifying the amount of the debt limit contained in the budget resolution automatically is engrossed and deemed to have passed the House by the same vote as the conference report on the budget resolution, thereby avoiding a separate vote on the debt-limit legislation. The Senate has no comparable automatic engrossment procedure; if it chooses to consider a House-passed joint resolution, it does so under the regular legislative process.

Prior to 2004, the last increase in the public debt limit originated under the Gephardt rule and subsequently was enacted as an independent measure (H.J.Res. 51, P.L. 108-24) in May 2003. In February 2004, the Administration indicated that it expected the debt subject to the limit would reach the statutory ceiling before the end of FY2004 (i.e., September 30, 2004).⁴⁵ On October 14, 2004, Treasury Secretary John W. Snow informed Congress that the Treasury effectively had reached the debt ceiling, stating:

Given current projections, it is imperative that the Congress take action to increase the debt-limit by mid-November, at which time all of our previously used prudent and legal actions to avoid breaching the statutory debt limit will be exhausted.⁴⁶

Even though the House agreed to the conference report to the FY2005 budget resolution, no legislation increasing the debt limit was engrossed automatically, pursuant to the Gephardt rule, because the Senate did not agree to the conference report. Consequently, on November 17, 2004, the Senate considered and adopted S. 2986, increasing the statutory public debt limit by \$800 billion to \$8.184 trillion, by a 52-44 vote.⁴⁷ The following day, the House considered and adopted S. 2986 by a 208-204 vote.⁴⁸ President Bush signed the legislation into law (P.L. 108-415) on November 19.

Appropriations and Other Spending Legislation

Federal spending is categorized into two different types: discretionary or mandatory spending. Discretionary spending is controlled through the annual

⁴⁵ OMB, *Analytical Perspectives, Budget of the U.S. Government, Fiscal Year 2005*, p. 234.

⁴⁶ Letter to Senate Majority Leader Bill Frist, dated October 14, 2004, available at [<http://www.ustreas.gov/press/releases/reports/frist.pdf>]; also see a previous letter dated August 2, 2004, available at [<http://www.cq.com/flatfiles/editorialFiles/temporaryItems/20040803-treasdebt.pdf>], both visited on December 27, 2004.

⁴⁷ For the Senate consideration and adoption of S. 2986, see *Congressional Record*, daily edition, vol. 150 (Nov. 17, 2004), pp. S11398-S11418.

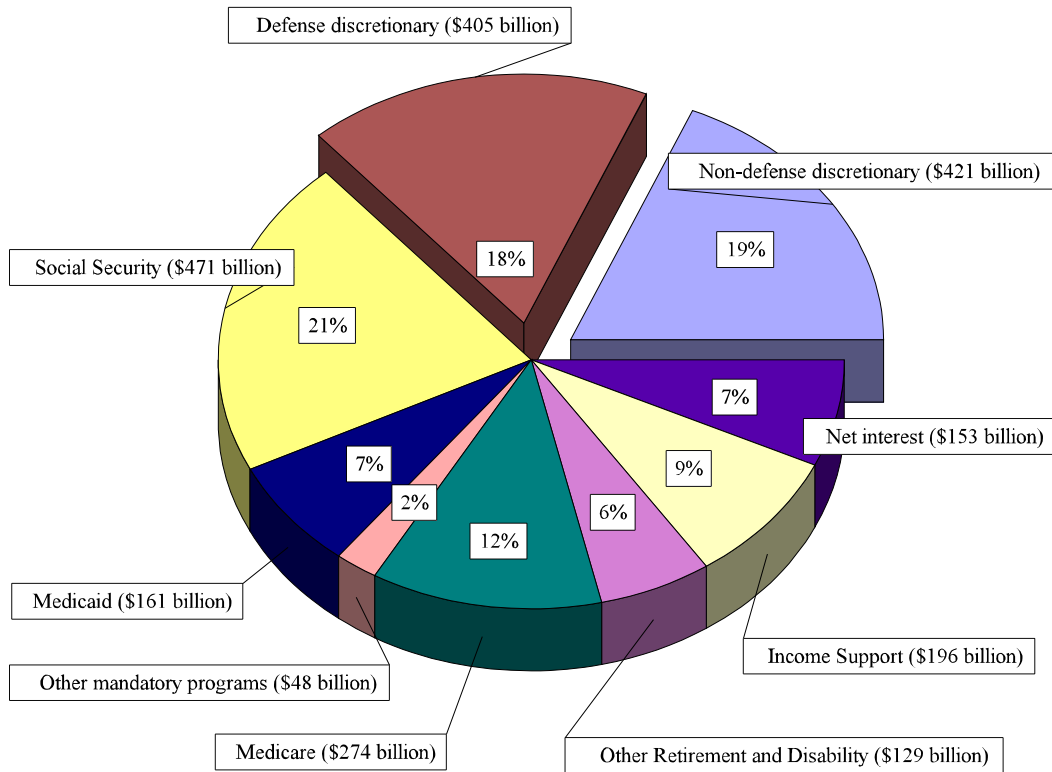
⁴⁸ In the House, S. 2986 was considered under a special rule (H.Res. 856, H.Rept. 108-778), which was agreed to by a 205-191 vote. For the House consideration and adoption of H.Res. 856 and S. 2986, see *Congressional Record*, daily edition, vol. 150 (Nov. 18, 2004), pp. H9966-H9987.

appropriations acts, while mandatory or direct spending (which consists mostly of entitlement programs) is determined by existing law.

Actual FY2003 federal outlays totaled \$2,158 billion (see **Figure 2**).⁴⁹ Of this total amount, \$826 billion, or about 38.3%, was discretionary spending (exploded slices in **Figure 2**), while \$1,332 billion, or 61.7%, was mandatory spending.

As noted above, the total budget authority and outlays set forth in the budget resolution are allocated among the House and Senate committees with jurisdiction over specific spending legislation. These allocations, commonly referred to as 302(a) allocations after the applicable section of the Congressional Budget Act, are specified in the joint explanatory statement accompanying the conference report to the budget resolution. A point of order may be raised against any legislation that would cause a committee’s spending allocation to be exceeded. The budget resolution typically provides for periodic revisions of these allocations if certain conditions, specified in reserve fund provisions, for instance, are met.

Figure 2. Actual FY2003 Revenues by Major Spending Category



⁴⁹ Chart created by CRS based on data from CBO, *The Budget and Economic Outlook: Fiscal Years 2005-2014*, pp. 133, 135, 137. The chart excludes offsetting receipts, which are treated as negative spending (i.e., they are deducted from spending in the budget totals); offsetting receipts totaled \$100.2 billion in FY2003. Percentages do not add to 100% due to rounding.

Discretionary Spending. Discretionary spending is under the jurisdiction of the House and Senate Appropriations Committees. Soon after the budget resolution is adopted by Congress, the House and Senate Appropriations Committees subdivide their spending allocations among their subcommittees and formally report these suballocations to their respective chambers. These suballocations, referred to as 302(b) allocations after the applicable section of the Congressional Budget Act, represent the spending ceilings on the individual regular appropriations acts. During the appropriations process, these suballocations usually are revised several times.

Until they were repealed upon the enactment of the Defense Appropriations Act, 2005 (see Section 14007 of P.L. 108-287), discretionary spending limits for FY2004 and FY2005 also could have been enforced in the Senate by a point of order.⁵⁰

Congress passes three main types of appropriations measures. *Regular appropriations acts* provide budget authority for the next fiscal year, beginning on October 1. Each of the 13 subcommittees of the Appropriations Committees of the House and Senate is responsible for one of the 13 regular appropriations acts. *Supplemental appropriations acts* provide additional funding for unexpected needs while the fiscal year is in progress. *Continuing appropriations acts*, commonly referred to as continuing resolutions, provide stop-gap funding for agencies that have not received regular appropriations by the start of the fiscal year.

The President's budget includes recommendations for the agencies, programs, and activities funded in the annual appropriations measures; account and program level detail about these recommendations is included in the *Appendix* volume of the President's budget documents. In addition, agencies submit justification materials to the House and Senate Appropriations Committees. The budget justifications provide more detailed information about an agency's program activities than is contained in the President's budget documents and are used in support of agency testimony during appropriations subcommittee hearings on the President's budget request.

The House and Senate appropriations subcommittees begin holding extensive hearings on appropriations requests shortly after the President's budget is submitted. By custom, appropriations measures originate in the House. In recent years, the Senate Appropriations Committee has adopted and reported original Senate appropriations measures, allowing the Senate to consider appropriations measures without having to wait for the House to adopt its version. Under this practice, the Senate version is considered and amended on the floor, and then inserted into the House-adopted version, when available, as a substitute amendment, thereby retaining the House-numbered bill for final action.

⁵⁰ Section 504 of the FY2004 budget resolution (H.Con.Res. 95, 108th Congress), created discretionary spending limits for each fiscal year covering FY2003 through FY2005. These discretionary spending limits could have been adjusted for transportation spending under Section 411 of the budget resolution and for spending designated as an emergency requirement under Section 502 of the budget resolution. See U.S. Congress, Committee on Conference, *Concurrent Resolution on the Budget for Fiscal Year 2004*, conference report to accompany H.Con.Res. 95, 108th Cong., 1st sess., H.Rept. 108-71 (Washington: GPO, 2003), p. 122.

In addition to the 13 regular appropriations acts, Congress typically acts on at least one supplemental appropriations measure during a session. Congress also often adopts one or more continuing resolutions each year because of recurring delays in the appropriations process. For example, Congress passed five continuing resolutions before completing action on the FY2004 regular appropriations acts.

Appropriations for FY2004. At the beginning of 2004, only six of the 13 FY2004 regular appropriations acts had been enacted. For agencies and programs contained in the remaining seven regular appropriations acts, a continuing resolution (H.J.Res. 79, P.L. 108-135) had been enacted to provide temporary appropriations through January 31, 2004, to prevent any funding gap; four other continuing resolutions had provided temporary appropriations from the start of the fiscal year on October 1, 2003.⁵¹ To complete action on the remaining seven regular appropriations acts, Congress incorporated them into one measure: the Consolidated Appropriations Act, 2004 (H.R. 2673, H.Rept. 108-401).⁵² The House and Senate agreed to the conference report to the act on December 8, 2003, and January 22, 2004, respectively.⁵³ On January 23, President Bush signed the measure into law (P.L. 108-199), thereby bringing action on the FY2004 regular appropriations acts to a close.

Appropriations for FY2005. As noted above, in the absence of an agreement on the FY2005 budget resolution, the House and Senate separately adopted so-called “deeming resolution” provisions for budget enforcement purposes. The House “deemed” the conference report to the budget resolution (S.Con.Res. 95, H.Rept. 108-498) to have been agreed to by Congress. Consequently, the spending allocations [302(a)s] for the House Appropriations Committee are \$821.9 billion in budget authority and \$905.7 billion in outlays for the FY2005 appropriations measures.⁵⁴ The Senate, in contrast, established spending allocations for the Senate Appropriations Committee in the Defense Appropriations Act, 2005, which was

⁵¹ Congress and President Bush provided temporary funding through October 31 (H.J.Res. 69, P.L. 108-84), November 7 (H.J.Res. 75, P.L. 108-104), November 21 (H.J.Res. 76, P.L. 108-107), and January 31, 2004 (H.J.Res. 79, P.L. 108-135). Subsequently, Congress passed and President Bush signed into law a fifth continuing resolution (H.J.Res. 82, P.L. 108-185), which made changes to the previous continuing resolution related to certain spending accounts, but did not change its expiration date (i.e., January 31, 2004).

⁵² For a guide to the contents of the act, see CRS Report RS21684, *FY2004 Consolidated Appropriations Act: Reference Guide*, by Robert Keith.

⁵³ On December 9, 2003, a unanimous consent request was made that the Senate agree to the conference report to H.R. 2673, but an objection was raised. See *Congressional Record*, daily edition, vol. 149 (Dec. 9, 2003), pp. S16082-S16083. Subsequently, a motion to invoke cloture on the conference report was initially rejected on January 20, but then, on reconsideration, was agreed to on January 22, leading to a vote on the measure. See *Congressional Record*, daily edition, vol. 150 (Jan. 20, 2004), pp. S20-S21, and *Congressional Record*, daily edition, vol. 150 (Jan. 22, 2004), p. S156.

⁵⁴ The initial spending allocations for the House Appropriations Committee (\$814.3 billion in budget authority and \$890.8 billion in outlays) were revised on June 15, 2004, by House Budget Committee Chairman Jim Nussle, under the authority of Sections 312 and 313 of the FY2005 budget resolution. See *Congressional Record*, daily edition, vol. 150 (June 15, 2004), p. H4146.

signed into law (P.L. 108-287) on August 5, 2004. Under Section 14007 of the act, the spending allocations [302(a)s] for the Senate Appropriations Committee, subject to certain adjustments, are \$821.4 billion in budget authority and \$905.3 billion in outlays for the FY2005 appropriations measures.⁵⁵ Subsequently, these spending allocations were adjusted to levels effectively consistent to those allocated to the House Appropriations Committee.⁵⁶ The allocations to the House and Senate Appropriations Committees were consistent with the total FY2005 discretionary spending amount supported by the Administration.⁵⁷

On June 15, 2004, the House Appropriations Committee reported its initial subcommittee spending allocations (H.Rept. 108-543) and revised these suballocations once (H.Rept. 108-633). On September 8, the Senate Appropriations Committee reported its initial subcommittee spending allocations (S.Rept. 108-336) and revised these suballocations four times (S.Rept. 108-337; S.Rept. 108-338; S.Rept. 108-356; and S.Rept. 108-398). As mentioned above, these suballocations serve as spending ceilings for the 13 individual regular appropriations measures and are enforced by points of order on the floor of each chamber.

The House and Senate began consideration of the regular appropriations bills for FY2005 during the week of June 14 and June 21, respectively. When FY2005 began on October 1, the House had passed 10, and the Senate had passed one, of the 13 regular appropriations acts for FY2005; only one (the Defense Appropriations Act, 2005) had been signed into law by President Bush.⁵⁸ Consequently, Congress passed and President Bush signed into law a continuing resolution (H.J.Res. 107, P.L. 108-309) to provide temporary appropriations through November 20, 2004, for agencies and programs funded in the remaining regular appropriations acts not yet

⁵⁵ In addition to setting FY2005 spending allocations for the Senate Appropriations Committee, Section 14007 of the Defense Appropriations Act, 2005, also repealed the FY2005 discretionary spending limit contained in the FY2004 budget resolution (Section 504 of H.Con.Res. 95). Without these provisions, and without agreement on a FY2005 budget resolution, the Senate Appropriations Committee would have been bound by the discretionary spending limits included in the FY2004 budget resolution (Section 504 of H.Con.Res. 95). These limits, as subsequently modified, capped the total amount of discretionary spending provided in the FY2005 appropriations measures at \$814.3 billion in budget authority and \$858.4 billion in outlays.

⁵⁶ The initial spending allocations to the Senate Appropriations Committee were revised to \$821.9 billion in budget authority and \$905.6 billion in outlays on September 20, 2004, by Senate Budget Committee Chairman Don Nickles, under the authority of Section 14007(b)(2) of P.L. 108-287. See *Congressional Record*, daily edition, vol. 150 (Sept. 20, 2004), p. S9380.

⁵⁷ See, for example, the letter from OMB Director Joshua B. Bolten to congressional appropriators, dated November 17, 2004, available at [http://www.whitehouse.gov/omb/pubpress/fy2004/omni_itr_111704.pdf], visited on December 27, 2004, or the Statements of Administration Policy for any of the FY2005 regular appropriations acts, available at [<http://www.whitehouse.gov/omb/legislative/sap/108-2/index-date.html>].

⁵⁸ For the up-to-date status of and further information on the FY2005 appropriations bills, see [<http://www.crs.gov/products/appropriations/apppage.shtml>], the CRS Appropriations website.

enacted. Subsequently, Congress and President Bush extended the temporary funding through December 3 (H.J.Res. 114, P.L. 108-416) and December 8 (H.J.Res. 115, P.L. 108-434).

After the start of FY2005 on October 1, Congress and President Bush completed action on three additional regular appropriations acts for FY2005 individually. To complete action on the remaining nine of the 13 regular appropriations acts, Congress incorporated them into a single omnibus appropriations act, H.R. 4818 (originally the Foreign Operations Appropriations Act, 2005). On November 20, the House and Senate agreed to the conference report to H.R. 4818, Consolidated Appropriations Act, 2005 (H.Rept. 108-792).⁵⁹ On December 8, President Bush signed H.R. 4818 into law (P.L. 108-447), thereby bringing action on the FY2005 regular appropriations acts to a close.

Supplemental Appropriations. In addition to the regular appropriations measures, Congress acted on several requests for supplemental appropriations. In 2004, President Bush submitted five requests for supplemental appropriations, predominately for hurricane-related disaster relief.⁶⁰ In response to these requests, Congress passed two measures providing supplemental appropriations. First, on September 7, the House and Senate passed H.R. 5005, the Emergency Supplemental Appropriations for Disaster Relief Act, which provides \$2 billion for FY2004 by voice vote and unanimous consent, respectively. On September 8, President Bush signed H.R. 5005 into law (P.L. 108-303).

Second, on October 6, the House passed H.R. 5212, Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005, by a 412-0 vote. The Senate, however, did not consider H.R. 5212. Instead, Congress added the

⁵⁹ In the House, the conference report to H.R. 4818 was considered under a special rule (H.Res. 866, H.Rept. 108-794), which was agreed to by a 233-158 vote. For the House consideration and adoption of H.Res. 866 and the conference report to H.R. 4818, see *Congressional Record*, daily edition, vol. 150 (Nov. 20, 2004), pp. H10087-H10209. On November 20, the Senate agreed by unanimous consent to not send H.R. 4818 to President Bush until the House adopted H.Con.Res. 528, as amended. See *Congressional Record*, daily edition, vol. 150 (Nov. 20, 2004), p. S11740. H.Con.Res. 528, as initially adopted by the House, made technical corrections to the enrollment of H.R. 4818, including changing the across-the-board reduction percentage from 0.83% to 0.80%. The Senate, however, amended the measure to also strike a controversial provision relating to appropriations committee access to Internal Revenue Service facilities and tax returns. For further information on this matter, see (1) Dan Morgan and Helen Dewar, "Spending Bill Held Up by Tax Provision," *Washington Post* (Nov. 23, 2004), p. A01; and (2) Nancy Ognanovich, "Dispute Over Riders Slows Enactment of \$388 Billion, Nine-Bill Omnibus Package," *BNA's Daily Report for Executives* (Nov. 23, 2004), p. A-42. For the Senate consideration and adoption of the conference report to H.R. 4818, see *Congressional Record*, daily edition, vol. 150 (Nov. 20, 2004), pp. S11740-S11767. The House, subsequently, adopted H.Con.Res. 528, as amended, on December 6, clearing the act for the President. For a guide to the contents of the Consolidated Appropriations Act, 2005, and further information on its passage, see CRS Report RS21983, *FY2005 Consolidated Appropriations Act: Reference Guide*, by Robert Keith.

⁶⁰ The President's supplemental requests are available online at [<http://www.whitehouse.gov/omb/budget/amendments.htm>].

supplemental appropriations to the Military Construction Appropriations Act, 2005 (H.R. 4837), during conference consideration. The House and Senate passed the conference report (H.Rept. 108-773) to H.R. 4837 by a 374-0 vote on October 9 and by voice vote on October 11, respectively. President Bush signed H.R. 4837 into law (P.L. 108-324) on October 13. The Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005 (Division B of P.L. 108-324) provides about \$14.5 billion in supplemental appropriations for FY2005.

In both cases, the supplemental appropriations were designated as emergency requirements, pursuant to Section 402 of S.Con.Res. 95, the FY2005 budget resolution, as made applicable to the House of Representatives by H.Res. 649 and applicable to the Senate by Section 14007 of P.L. 108-287, and thereby exempt from the spending constraints mentioned above.

Mandatory Spending. Mandatory spending is under the jurisdiction of the various legislative committees of the House and Senate. Some entitlement programs, such as Medicaid and certain veterans' programs, are funded in annual appropriations acts, but such spending is not considered discretionary and is not controlled through the annual appropriations process.

In addition to the 302 process mentioned above, mandatory spending legislation is limited by the Senate's PAYGO requirement. A point of order, under Section 505 of the FY2004 budget resolution (H.Con.Res. 95, 108th Congress), may be raised against any mandatory spending legislation *not assumed in the most recently adopted budget resolution* that would increase or cause an on-budget deficit for the first fiscal year, the period of the first five fiscal years, or the following five fiscal years, covered by the most recently adopted budget resolution.⁶¹ A motion to waive the point of order requires a three-fifths vote (i.e., 60 Senators if there are no vacancies).

On several occasions in the past, Congress has included reserve funds in the budget resolution to accommodate specific mandatory spending legislation. Under the provisions of a reserve fund, the chairmen of the House and Senate Budget Committees may revise the committee spending allocations and other budget resolution levels if certain legislation is reported by the appropriate committee. Without such an adjustment, mandatory spending legislation might be subject to points of order if it were not assumed in the budget resolution spending amounts.

One major mandatory spending bill considered during 2004 was the six-year renewal of the highway and transit program.⁶² On February 12, the Senate passed

⁶¹ The joint explanatory statement of the committee of conference on the FY2004 budget resolution indicates that the budget resolution assumed direct spending increases and revenue reductions totaling almost \$1.8 trillion over the period FY2003-FY2013. See U.S. Congress, Committee on Conference, *Concurrent Resolution on the Budget for Fiscal Year 2004*, conference report to accompany H.Con.Res. 95, 108th Cong., 1st sess., H.Rept. 108-71 (Washington: GPO, 2003), pp. 122-123.

⁶² For further information on the legislation, see CRS Report RL32226, *Highway and Transit Program Reauthorization Legislation in the 2nd Session, 108th Congress*, by John (continued...)

legislation (S. 1072) to authorize funds for federal aid for highways, highway safety programs, and transit programs. During consideration of the legislation, the Senate agreed to waive a point of order (under Section 302(f) of the CBA) against Senator James Inhofe's amendment in the nature of a substitute (S.Amdt. 2285) by a vote of 72-24; the point of order was raised because the legislation exceeded the spending amounts for transportation programs provided in the FY2004 budget resolution (H.Con.Res. 95).⁶³

The House passed its version of the highway and transit program reauthorization legislation (H.R. 3550) on April 2, 2004. Prior to the consideration of the legislation, House Budget Committee Chairman Jim Nussle adjusted the House Transportation and Infrastructure Committee's spending allocation pursuant to the contingency procedure for this purpose set forth in the FY2004 budget resolution (Section 411 of H.Con.Res. 95).⁶⁴ With the adjustment, the legislation as considered by the House complied with the spending amounts for the surface transportation reauthorization legislation provided in the FY2004 budget resolution and therefore was not subject to points of order under the Congressional Budget Act.

A conference committee was convened to resolve the differences between the House and Senate versions of the legislation (H.R. 3550). However, the conferees were unable to resolve those difference before Congress adjourned sine die. In anticipation of that possibility, Congress adopted and President Bush signed legislation (H.R. 5183, P.L. 108-310) extending the authorization for highway and transit programs through May 31, 2005.

Budget Enforcement and Sequestration

Beginning in 1990, Congress and the President were constrained by statutory limits on discretionary spending and a pay-as-you-go (PAYGO) requirement for

⁶² (...continued)

W. Fischer; and CRS Report RL31665, *Highway and Transit Program Reauthorization*, by John W. Fischer.

⁶³ The contract authority provided in the legislation for transportation programs is treated as mandatory spending, while the resulting outlays are treated as discretionary spending. Therefore, the contract authority amounts are subject to the 302(a) spending limits allocated to the committees of jurisdiction by the FY2004 budget resolution. For more information on the estimated cost of the legislation, see the Senate Budget Committee's *Budget Bulletin* of Feb. 10, 2004, available from the Senate Budget Committee's website at [<http://www.senate.gov/~budget/republican/analysis/2004/bb01-2004.pdf>], visited on December 27, 2004. For the discussion on the Senate floor related to the point of order and the motion to waive it, see *Congressional Record*, daily edition, vol. 150 (Feb. 12, 2004), pp. S1206-S1219.

⁶⁴ On Apr. 1, 2004, House Budget Committee Chairman Jim Nussle increased the House Transportation and Infrastructure Committee's spending allocation by \$3.777 billion in additional budget authority for the period FY2004-FY2008. See *Congressional Record*, daily edition, vol. 150 (Apr. 1, 2004), p. H2040.

direct spending and revenue legislation.⁶⁵ Initially applicable through FY1995, they were modified and extended in 1993 to apply through FY1997, and extended again in 1997 to apply through FY2002. In each case, the budgetary controls were designed to enforce five-year budget agreements between Congress and the President. Without any legislative action by Congress and the President to extend the budget enforcement mechanisms further, they expired at the end of FY2002 (i.e., September 30, 2002).

During 2004, President Bush, among others, proposed setting new discretionary spending limits and restoring a modified version of the PAYGO requirement.⁶⁶ For this reason, an overview of how those procedures operated before they expired in 2002 is provided below.

Since 1990, the statutory limits had applied to different categories of discretionary spending. During some periods, discretionary spending was combined into a single category; at other times it was divided into two or more broad categories, such as defense and nondefense spending. Currently, adjustable discretionary spending limits still exist for highway and mass transit spending for FY2003 and conservation spending (divided into six subcategories) through FY2006, but the sequestration process to enforce them expired on September 30, 2002.

Under the PAYGO requirement, the net effect of new direct spending and revenue legislation enacted for a fiscal year could not cause a positive balance on a multiyear PAYGO “scorecard” (i.e., cause an increase in the on-budget deficit or a reduction in the on-budget surplus). For each fiscal year, this scorecard maintained the balances of the accumulated budgetary effects of laws enacted during the current session and prior years. The PAYGO requirement applied to legislation enacted through FY2002, but it covered the effects of such legislation through FY2006. The PAYGO requirement effectively was terminated at the end of FY2002 as well (as discussed below).

The discretionary spending limits and PAYGO requirement were enforced primarily by sequestration, which involved automatic, largely across-the-board spending cuts in non-exempt programs. Sequestration was triggered if the OMB director estimated in the final sequestration report at the end of a session that one or more of the discretionary spending limits would be exceeded or the PAYGO

⁶⁵ The discretionary spending limits and the PAYGO requirement were first established by the Budget Enforcement Act (BEA) of 1990 (Title XIII of P.L. 101-508, Omnibus Budget Reconciliation Act of 1990, 104 Stat. 1388-573-1388-630), which amended the Balanced Budget and Emergency Deficit Control Act of 1985 (Title II of P.L. 99-177, 99 Stat. 1038-1101). The limits were extended in 1993 (Title XIV of P.L. 103-66, Omnibus Budget Reconciliation Act of 1993, 107 Stat. 683-685) and in 1997 (Budget Enforcement Act of 1997, Title X of P.L. 105-33, Balanced Budget Act of 1997, 111 Stat. 677-712).

⁶⁶ As noted above, on Mar. 19, 2004, the House Budget Committee reported legislation (H.R. 3973, H.Rept. 108-442) establishing new discretionary spending limits for FY2005 through FY2009 and restoring the PAYGO requirement for direct spending only. On June 25 (legislative day, June 24), the House considered and rejected budget process legislation (H.R. 4663) by a 146-268 vote. For the consideration on the House floor, see *Congressional Record*, daily edition, vol. 150 (June 24, 2004), pp. H4898-H4908, H4961-H5066.

requirement would be violated. A within-session sequestration was possible if a supplemental appropriations bill caused the spending levels of the current fiscal year to exceed the statutory limit for a particular category.

As mentioned above, the Senate still enforces discretionary spending limits and a PAYGO requirement similar to the expired statutory one, through points of order while legislation is being considered on the Senate floor. (The House does not provide for similar points of order.)

Table 4 shows the timetable for sequestration actions. As indicated, OMB and CBO were required to publish preview and update sequestration reports to provide Congress and the President with advance notice regarding the possibility of a sequester. If one or both types of sequester (i.e., a discretionary spending limit sequester or a PAYGO sequester) were anticipated, these reports could have afforded Congress and the President enough warning to enact legislation to avert a sequester. Only an OMB within-session or final sequestration report could have triggered a sequester; the CBO sequestration reports were advisory only.

Table 4. Timetable for Sequestration Actions

Deadline	Action to be completed
Five days before the President submits budget	CBO sequestration preview report.
Date of the President's budget submission	OMB sequestration preview report (as part of the President's budget).
August 10	Notification regarding military personnel.
August 15	CBO sequestration update report.
August 20	OMB sequestration update report.
10 days after end of session	CBO final sequestration report.
15 days after end of session	OMB final sequestration report; presidential sequestration order.

Source: Section 254(a) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (P.L. 99-177, 2 U.S.C. 904).

At the end of the 107th Congress, Congress passed and President Bush signed legislation (P.L. 107-312, 116 Stat. 2456) that removed the positive balances on the PAYGO scorecard through FY2006, thereby preventing any future PAYGO sequestration unless the budget enforcement mechanism is restored.⁶⁷

Chronology

⁶⁷ For further information on the recent removal of PAYGO balances, see CRS Report RS21378, *Termination of the "Pay-As-You-Go" (PAYGO) Requirement for FY2003 and Later Years*, by Robert Keith.

November 20, 2004	House and Senate agreed to the conference report to H.R. 4818, Consolidated Appropriations Act, 2005 (H.Rept. 108-792), by votes of 344-51 and 65-30, respectively. The Consolidated Appropriation Act, 2005, contains nine of the 13 regular appropriations acts that had not yet been enacted. President Bush signed H.R. 4818 into law (P.L. 108-447) on December 8, thereby completing action on the 13 regular appropriations acts for FY2005.
October 1, 2004	FY2005 began. As of October 1, only one of the 13 regular appropriations acts for FY2005 had been enacted. Temporary appropriations for agencies and programs funded in the remaining regular appropriations acts not yet enacted were provided by a series of continuing appropriations acts.
September 7, 2004	CBO released its annual update report on budget baseline projections, <i>The Budget and Economic Outlook: An Update</i> .
July 30, 2004	President Bush issued his <i>Mid-Session Review</i> of the FY2005 budget to Congress.
May 19, 2004	House agreed to the conference report to the FY2005 budget resolution (S.Con.Res. 95, H.Rept. 108-498) by a 216-213 vote.
March 25, 2004	House agreed to its version of the FY2005 budget resolution (H.Con.Res. 393, H.Rept. 108-441) by 215-212 vote.
March 12, 2004 (legislative day, March 11)	Senate agreed to its version of the FY2005 budget resolution (S.Con.Res. 95, S.Prt. 108-365) by 51-45 vote.
March 8, 2004	CBO released its annual report on the President's budgetary proposals, <i>An Analysis of the President's Budgetary Proposals for Fiscal Year 2005</i> .
February 2, 2004	President Bush submitted his FY2005 budget to Congress.
January 26, 2004	CBO released its annual report on budget baseline projections, <i>The Budget and Economic Outlook: Fiscal Years 2005-2014</i> .

For Additional Reading

Congressional Hearings, Reports, and Documents

Congressional Budget Office. *The Budget and Economic Outlook: Fiscal Years 2005-2014*. Washington: January 2004.

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CRS Products

CRS Report RL31754. *Congressional Budget Actions in 2003*, by Bill Heniff Jr.

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CRS Report 98-721. *Introduction to the Federal Budget Process*, by Robert Keith and Allen Schick.

CRS Report 97-684. *The Congressional Appropriations Process: An Introduction*, by Sandy Streeter.

CRS Report RL30343. *Continuing Appropriations Acts: Brief Overview of Recent Practices*, by Sandy Streeter.

CRS Report RL32264. *The Budget for Fiscal Year 2005*, by Philip D. Winters.