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Comparing the House and Senate FY 2016 Budget Resolutions

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Summary

Before leaving for a two-week recess on March 27, the Senate approved its budget resolution for fiscal year (FY) 2016 (S. Con. Res. 11). The House approved its resolution (H. Con. Res. 27) on March 25. While similar in many respects, the two bills have several differences that will need to be resolved before a concurrent resolution can be introduced and adopted in both chambers.

A budget resolution is not a law and is not signed by the president. Instead, it is a blueprint that includes top-line discretionary spending levels and broad policy parameters that guide the legislative budget process. If the resolution includes reconciliation directives—as both the House and Senate versions do—these signal that Congress will consider changes to mandatory programs and/or tax policy. This *Budget Brief* summarizes the key points of the two budget resolutions.

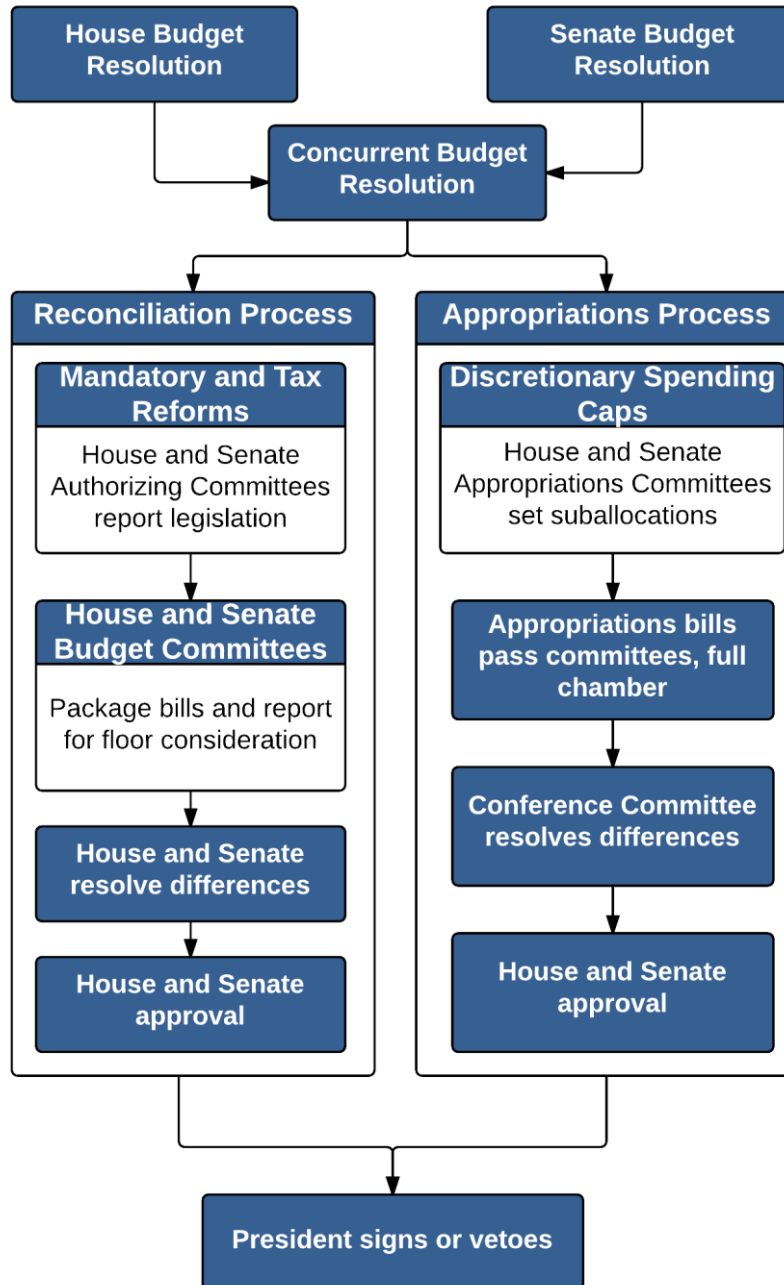
Congressional Budget Process

In theory, the annual budget process commences with the release of the president's budget in February and ends with enactment of all appropriations bills prior to the beginning of a new fiscal year on October 1. In fact, this schedule has not been followed in recent years, with the president's budget often released late, the two chambers of Congress seldom adopting a concurrent budget resolution, and virtually all fiscal years getting underway with a continuing resolution (CR) rather than enacted spending bills.

This year could be different, at least on the legislative front. The same political party controls both the House and Senate, making enactment of budget legislation more likely (but still not certain). Whether such legislation can garner a presidential signature is another matter.

The next chart outlines the congressional budget process. With the House and Senate having adopted their individual budget resolutions, the next step is for differences between those two resolutions to be resolved so that each chamber can adopt the concurrent resolution. The statutory deadline is April 15, although Congress frequently misses this deadline.

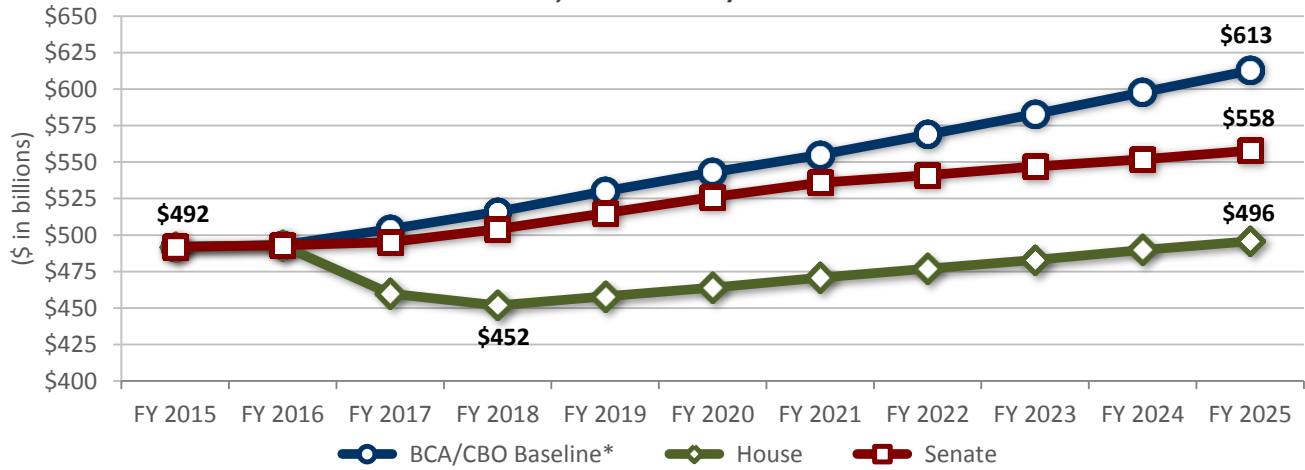
Congressional Budget Process



FY 2016 Spending Levels

While the budget resolutions include 10-year revenue and spending projections based on the recommendations implicit in them, they are binding on only the single budget year to which they apply, in this case FY 2016. This is important, because the following chart shows that both the House and Senate budget resolutions comply with the FY 2016 spending caps established by the Budget Control Act of 2011 (BCA) and related legislation. While the chart displays only non-defense discretionary spending, the two resolutions also comply with the BCA caps for defense spending in FY 2016.

Non-Defense Discretionary Spending under House, Senate FY 2016 Budget Resolutions, Current Law/CBO Baseline



*CBO baseline figures as reflected in House Budget Resolution

As the chart shows, non-defense discretionary spending levels would fall below current-law levels after FY 2016 under both the House and Senate blueprints. The next table shows more detail. Specifically, the House would reduce non-defense discretionary spending so that defense spending could exceed the BCA capped levels. The Senate would also reduce non-defense spending—but less than the House—and would maintain defense spending at its BCA capped levels.

House, Senate FY 2016 Budget Resolutions and Current Law/CBO Discretionary Baseline
(\$ in billions)

| | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Defense: | | | | | | | | | | | |
| BCA/CBO Baseline* | \$521 | \$523 | \$536 | \$549 | \$562 | \$576 | \$590 | \$605 | \$620 | \$635 | \$651 |
| House | \$521 | \$523 | \$574 | \$599 | \$611 | \$623 | \$635 | \$648 | \$661 | \$673 | \$687 |
| Senate | \$521 | \$523 | \$536 | \$549 | \$562 | \$576 | \$590 | \$605 | \$620 | \$635 | \$651 |
| Non-Defense: | | | | | | | | | | | |
| BCA/CBO Baseline* | \$492 | \$493 | \$504 | \$516 | \$530 | \$543 | \$555 | \$569 | \$583 | \$598 | \$613 |
| House | \$492 | \$493 | \$460 | \$452 | \$458 | \$464 | \$471 | \$477 | \$483 | \$490 | \$496 |
| Senate | \$492 | \$493 | \$495 | \$504 | \$515 | \$526 | \$536 | \$541 | \$547 | \$552 | \$558 |

*CBO baseline figures as reflected in House Budget Resolution

302(a) allocations and 302(b) sub-allocations

Once a concurrent budget resolution is adopted, the report that accompanies it will list 302(a) allocations. Such allocations take spending levels that have been agreed to for 19 budget functions and distribute them by congressional committee. The House and Senate appropriations committees each will receive a single allocation, which in turn will lead to 302(b) sub-allocations for each appropriations subcommittee. These 302(b) allocations set the fiscal framework under which appropriations activity will occur.

Reconciliation Directives

Since both the House and Senate budget resolutions adhere to the BCA's FY 2016 discretionary spending caps, their larger impact could emerge on the mandatory side of spending or on the revenue side. Both the House and Senate included reconciliation directives in their budget resolutions; this offers an expedited procedure to consider mandatory and tax legislation, with no allowance for a filibuster and limited opportunity for amendment. (Reconciliation cannot be used to recommend changes to Social Security.)

Specifically, the FY 2016 budget resolution will include a reconciliation directive that instructs legislative committees in the House and Senate to produce legislation by a certain date that achieves specified savings. The table below summarizes the directives in the individual FY 2016 budget resolutions; the House resolution specifies a July 15 deadline for committees to report reconciliation bills back to the budget committee, while the Senate specifies July 31.

| Comparison of Reconciliation Directives in House, Senate FY 2016 Budget Resolutions (\$ in millions) | | | |
|---|------------------|------------------------------------|------------------|
| House | | Senate | |
| Committee | Savings/10 years | Committee | Savings/10 years |
| Agriculture | \$1,000 | Finance | \$1,000 |
| Armed Services | 100 | Health, Education, Labor, Pensions | 1,000 |
| Education-Workforce | 1,000 | TOTAL | \$2,000 |
| Energy-Commerce | 1,000 | | |
| Financial Services | 100 | | |
| Homeland Security | 15 | | |
| Judiciary | 100 | | |
| Natural Resources | 100 | | |
| Oversight-Government Reform | 100 | | |
| Science-Space-Technology | 15 | | |
| Transportation-Infrastructure | 100 | | |
| Veterans Affairs | 100 | | |
| Ways and Means | 1,000 | | |
| TOTAL | \$4,730 | | |

There are differences in both the depth and breadth of savings called for in the House and Senate resolutions, and these will have to be ironed out before a concurrent resolution is brought up for a vote. That said, the amounts specified in the resolutions are widely understood to be minimum amounts subject to revision.

Once the authorizing committees deliver legislation that meets their targets, the respective budget committees compile the recommendations into a single piece of reconciliation legislation that goes to the floor for an up-or-down vote with limited amendments. The House and Senate must resolve any differences between their two bills, approve a final conference report, and send the legislation to the president for his signature.

Reserve Funds and Other Policy Statements

Both the House and Senate FY 2016 budget resolutions create numerous reserve funds, for items ranging from repealing the Affordable Care Act (ACA) to improving forest health. Such reserve funds are intended as placeholders that signal an interest in addressing the issues at hand. Reserve funds are best thought of as statements of interest rather than actual policies, especially since the budget resolution is not a law.

Illustrative policies One often hears a budget resolution described in terms of the policies implicit in it, such as, "The House budget resolution would repeal the Affordable Care Act." However, since it is not legislation, the resolution can't actually do that. Instead, it can incorporate verbiage that signals the budget committee's intentions. Moreover, it can include spending targets that reflect the impact of its desired policies.

Along with its FY 2016 budget resolution, the House budget committee released a report ([H. Rept. 114-47](#)) that spelled out many of the policies it would like to see its authorizing and appropriations committees adopt as part of the FY 2016 budget process. The Senate provided fewer indications of its thinking, usually deferring to the committees of jurisdiction for specific policies. The list below summarizes "illustrative examples" that accompanied the House resolution.

| Examples Cited in House Budget Committee Report for FY 2016 Budget Resolution | |
|---|--|
| Area | Illustrative Example |
| Community Development | Reform Community Development Block Grant (CDBG) to introduce poverty element and exclude communities with high average incomes |
| Education | Reduce Pell grant eligibility and freeze awards |
| Education | Eliminate "unsuccessful and duplicative" K-12 programs |
| Foster Care | Increase state flexibility, including privatization |
| Health | Repeal ACA Prevention and Public Health Fund |
| Health | Repeal ACA |
| Health | Covert Medicare to premium support (2024) |
| Health | Convert Medicaid to "State Flexibility Fund" |
| Health | Combine Medicaid and Children's Health Insurance Program (CHIP) |
| Homeland Security | Limit Urban Areas Security Initiative (UASI) grants to 10 cities |
| Housing | Reform housing programs |
| Justice | Consolidate grant programs |
| Labor | Further consolidate job training programs |
| Labor | Prohibit individuals from collecting disability and unemployment insurance (UI) |
| Natural Resources | Increase development, including more state and local control over federal lands |
| Nutrition | Eliminate Supplemental Nutrition Assistance Program (SNAP) outreach activities |
| Nutrition | Convert SNAP to "State Flexibility Fund" (2021) |
| Nutrition | Eliminate eligibility for SNAP via Low Income Home Energy Assistance Program (LIHEAP) |
| Nutrition | Eliminate SNAP eligibility via Temporary Assistance for Needy Families (TANF) |
| Social Services | Eliminate the Social Services Block Grant (SSBG) |
| TANF | Block administration waivers for work requirements |
| TANF | Allow pilot projects for work-based state reforms |
| Transportation | Pilot transportation program whereby states would opt out of federal taxes and spending |
| Transportation | Eliminate TIGER grants |

While these are only recommendations, there are several that would have significant implications for states. For example, the list includes repealing the ACA, converting Medicaid and the Supplemental Nutrition Assistance Program to a block grant, eliminating the Social Services Block Grant, and eliminating “unsuccessful and duplicative” K-12 education programs.

Next Steps

While Congress is in recess, its staff is reportedly working to merge the two separate budget resolutions into a conference report that can win support in both the House and Senate. Once a concurrent resolution is adopted, the House and Senate appropriations committees will receive their 302(a) allocations and will provide 302(b) sub-allocations to each of their appropriations subcommittees. At the same time, authorizing committees will tackle reconciliation directives in the budget resolution within the timeframe specified. The budget process will be underway.

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