



## OFFICE OF HISTORY AND PRESERVATION

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### A BRIEF HISTORY OF THE COMMITTEE ON THE BUDGET

Established during an era of unprecedented institutional reform in Congress, the Committee on the Budget's function derives from the constitutional mandate that fixes control of the nation's purse in the U.S. House of Representatives. Although Congress has always possessed the legal authority to exercise power over federal appropriations, a formal institutional mechanism to manage taxes and spending did not exist until 1974. Three developments precipitated the need for a formal mechanism: increasing conflicts between Congress and the President over the federal budget; the challenge of managing long-term programs such as Social Security and Medicare; and budget deficits in the latter 20th century.<sup>i</sup>

The committee originated with the Congressional Budget and Impoundment Control Act of 1974 (PL 93-344), which permitted Congress to develop an independent means to analyze the Presidential budget, reconcile it with congressional plans, and develop a fiscal policy of its own. The act established permanent standing budget committees in both houses of Congress, as well as a Congressional Budget Office to provide Congress with independent, nonpartisan analyses.

Unlike its Senate counterpart, the House Budget Committee has a larger membership (43 in the House compared to 21 in the Senate); ratios are determined at the beginning of every Congress based on party strength. The committee handles broad questions about federal spending and taxation and ensures that the House follows the 1974 law. This committee also has a rotating membership. None of its members may serve more than six out of 10 years. And, in contrast to the Senate whose chair is permanent, the House elects a new chair at the beginning of each Congress. The House also requires that the committee's membership be drawn from the Ways and Means Committee (5), the Appropriations Committee (5), one from each of the 11 authorizing committees, and one member from the leadership of the Democratic and Republican caucuses.<sup>ii</sup>

As the first panel to examine the President's annual budget message, the Budget Committee's chief responsibility is to draft a concurrent resolution that reconciles spending details with the overall comprehensive budget package. The committee is required to draft a budget resolution, agreed to by April 15 of each year, which establishes total targets in five budget areas: authority; outlays; revenues; surplus or deficit; and public debt. The resolution also sets budget authority and outlay targets for each of the 21 spending categories. Although Congress originally planned to have two budget resolutions per year, the committee eventually eliminated the second resolution date because of the effectiveness of the reconciliation process.<sup>iii</sup> Finally, the committee prepares guidelines in the annual budget resolution for cutting programs to meet spending targets.<sup>iv</sup>

For much of its history, the Budget Committee's agenda has been directed by centrist House Members who advocated fiscal responsibility while crafting compromises between the President's budget and Congress's appropriations interests. Although much of the committee's activity was directed toward reconciling executive and congressional budget goals, the legislative interests of individual committee chairmen also has played a role in steering the committee focus.<sup>v</sup>

Although the Congressional Budget and Impoundment Control Act of 1974 outlined the purpose and jurisdiction of the committee, two subsequent acts further shaped the committee's work. In 1985, Senators Phil Gramm of Texas, Warren Rudman of New Hampshire, and Ernest Hollings of South Carolina sponsored the Gramm–Rudman–Hollings Acts of 1985 and 1987, which required a gradual reduction of the federal deficit by setting target deficit rates within six years. If the projected deficit exceeded the deficit target, the act provided for automatic cuts (or “sequestration”) in other areas of the federal budget to meet the target.<sup>vi</sup> The second piece of legislation was the Budget Enforcement Act of 1990. A compromise measure between congressional leaders and President George H. W. Bush, this act contained significant revisions from Gramm–Rudman–Hollings. The Budget Enforcement Act of 1990 “placed yearly caps on all discretionary spending, required that any reduction in revenues must be accompanied by an equal reduction in entitlement spending, nullified the Gramm–Rudman–Hollings legislation, and provided pay-as-you-go provisions for any new spending.”<sup>vii</sup>

Throughout its history, the Committee on the Budget has fulfilled its role as an institutional check on federal spending in two ways. First, the committee has consistently provided independent analyses of federal spending through the Congressional Budget Office. Second, the committee negotiated with its counterparts in the executive branch and the Senate. As a result of the institutional reforms that created the Budget Committee, Congress strengthened its hand in shaping the budget and appropriations process.

**For further reading:**

Donald C. Bacon, et al., eds. *The Encyclopedia of the U. S. Congress*, Volume 1 (New York: Simon & Schuster, 1995): 209–224.

Eric Patashnik, “Congress and the Budget Since 1974,” in Julian Zelizer, ed. *The American Congress: The Building of Democracy* (New York: Houghton–Mifflin Co., 2004): 668–686.

U. S. House Committee on House Administration. *History of the United States House of Representatives, 1789–1994*, 103rd Cong., 2nd sess., 1994, H. Doc. 103–324. See especially, Chapter 9.



## Firsts and Milestones

### **Established:**

July 12, 1974, by Public Law 93-344 (Congressional Budget and Impoundment Control Act of 1974), 93rd Congress, 2nd Session.

### **First Chairman:**

Albert C. Ullman [<http://bioguide.congress.gov/scripts/biodisplay.pl?index=U000004>] of Oregon, 93rd Congress (1973-1975)

### **Longest-serving Chairmen:**

- John R. Kasich [<http://bioguide.congress.gov/scripts/biodisplay.pl?index=K000016>] of Ohio, 104th through 106th Congresses (1995-2001)
- Jim Nussle [<http://bioguide.congress.gov/scripts/biodisplay.pl?index=N000172>] of Iowa, 107th through 109th Congresses (2001-2007)

### **First African-American Committee Chair:**

William H. Gray, III [<http://bioguide.congress.gov/scripts/biodisplay.pl?index=G000402>] of Pennsylvania, 99th and 100th Congresses (1985-1989)

## Notes

<sup>i</sup> Eric Patashnik, "Congress and the Budget Since 1974," in Julian Zelizer, ed. *The American Congress: The Building of Democracy*. (New York: Houghton-Mifflin, 2004): 669.

<sup>ii</sup> Lance LeLoup, "The Budget Process," in Donald C. Bacon et al., *The Encyclopedia of the United States Congress*, Volume 1 (New York: Simon & Schuster, 1995): 209; Garrison Nelson et al., *Committees in the U. S. Congress, 1947-1992: Committee Histories and Member Assignments* (Washington, D. C.: Congressional Quarterly Press, 1994): 1001; Patashnik, "Congress and the Budget Since 1974": 675.

<sup>iii</sup> Lance LeLoup, "The Budget Process": 210.

<sup>iv</sup> Nelson et al., *Committees in the U. S. Congress, 1947-1992: Committee Histories and Member Assignments*: 1002

<sup>v</sup> For example, chairman Brock Adams of Washington had a particular interest in transportation issues. During his tenure as committee chair in the 94th Congress (1973-1975), Adams was credited with helping to reform the railroad system by establishing Amtrak through the Rail Passenger Service Act of 1970, and aiding freight carriers in financial trouble through the Regional Reorganization Act of 1973. Other committee leaders, such as Robert Giaimo of Connecticut and James Jones of Oklahoma considered themselves spending watchdogs. During Giaimo's tenure in the 96th Congress (1979-1981), the committee sought to manage inflation. In 1981, Jones mitigated the suggested tax cuts and government downsizing proposed by the incoming Ronald Reagan administration, proposing a counter-budget that acknowledged a stricter spending discipline, but proposed a reduction in the administration's suggested budget cuts on social programs by fifty percent. Like Jones, William Gray III of Pennsylvania, the committee's first African-American chair, was a centrist who advocated a balanced budget. When the Gramm-Rudman-Hollings Act was passed, Gray's tenure as chairman was defined by a coalition of Democratic and Republican members that supported balanced budget legislation. He sought greater cooperation with the executive branch by publicly appealing for consultation with the Ronald Reagan administration. For examples, see the following: Alex Fryer, "Ex-Senator Once Seen as State's 'Prince of Politics' Brock Adams, 1927-2004," 11 September 2004, *Seattle Times*: A1; Joe Holley, "Brock Adams, 77, Dies; Senator, Carter's Transportation Secretary, 11 September 2004, *Washington Post*: B06; Mary

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Russell, "New Congress to Emphasize Oversight," 26 December 1978, *Washington Post*: A7; Mary Russell, "House Reduced Budget Deficit by \$2.5 Billion," 15 May 1979, *Washington Post*: A1; Rowland Evans and Robert Novak, "The Democrats' Budget Man," 5 December 1980, *Washington Post*: A17; Caroline Atkinson, "Spending Cuts of Up to \$30 Billion Urged," 13 January 1981, *Washington Post*: D6; William E. Pemberton, *Exit With Honor: The Life and Presidency of Ronald Reagan*. (Armonk, NY: M. E. Sharpe, 1998): 101; David Espo, "Lawmakers Complain About Pentagon But Agree Some Domestic Cuts Needed," 4 February 1985, Associated Press; Eliot Brenner, "Gray Says Reagan Must Lead Deficit Fight," 19 February 1985, United Press International.

<sup>vi</sup> Patashnik, "Congress and the Budget Since 1974": 681.

<sup>vii</sup> Nicholas A. Masters, "Budget Committee, House," in Bacon et al., *The Encyclopedia of the United States Congress*, Volume 1: 211.