Rules Committee of the House of Representatives[1]

Glossary of Terms in the Federal Budget Process

Account – Organizational units used in the federal budget primarily for recording spending and revenue transactions. With regard to spending, the Budget Enforcement Act of 1990 defines "account" as an item for which appropriations are made in any appropriation acts; for items not provided for in appropriations acts, "accounts" means an item for which there is a designated budget account identification code number in the President's budget. All budgetary transactions are recorded in accounts, but not all accounts are budgetary in nature; that is, some accounts (such as deposit fund and credit financing accounts) do not directly affect budget amounts and are used solely for accounting purposes.

Advance Appropriation – In an appropriation act for a particular fiscal year, an appropriation that does not become available for spending or obligation until a subsequent fiscal year. The amount of the advance appropriation is counted as part of the budget for the fiscal year in which it becomes available for obligation.

Allowances – Amounts in the budget to cover possible additional expenses for statutory pay increases, contingencies, and other requirements. In congressional budget resolutions, allowances are a special functional classification. In the President's budget, they also include amounts for possible additional proposals and for contingencies related to relatively uncontrollable programs.

Annual Authorization – Legislation that authorizes appropriations for a single fiscal year and usually for a specific amount. Under the rules of the authorization- appropriation process, an annually authorized agency or program must be reauthorized each year if it is to receive appropriations for that year. Sometimes Congress fails to enact the reauthorization but nevertheless provides appropriations to continue the program, circumventing the rules by one means or another.

Appropriated Entitlement – An entitlement program, such as veterans' pensions, that is funded through annual appropriations rather than by a permanent appropriation. Because such an entitlement law requires the government to provide eligible recipients the benefits to which they are entitled, whatever the

[1] This lexicon was prepared by the House Rules Committee, and includes some language more political in nature. It is not authoritative as far as budget specifics are concerned, but includes some worthwhile information related to the rulemaking procedures of the House.

cost, Congress must appropriate the necessary funds. If the amount Congress provides in the annual appropriations act is not enough, it must make up the difference in a supplemental appropriation.

Appropriation – (1) Legislative language that permits a federal agency to incur obligations and make payments from the Treasury for specified purposes, usually during a specified period of time. (2) The specific amount of money made available by such language. The Constitution prohibits payments from the Treasury except "in Consequence of Appropriations made by Law." With some exceptions, the rules of both houses forbid consideration of appropriations for purposes that are unauthorized in law or of appropriation amounts larger than those authorized in law. The House of Representatives claims the exclusive right to originate appropriation bills--a claim the Senate denies in theory but accepts in practice. Consequently, the Senate Appropriations Committee usually waits for the arrival of a bill passed by the House and then reports it with whatever amendments it chooses. Furthermore, under Senate precedents, a point of order will not lie against House language in the bill even though such language may violate a Senate rule.

Appropriation Account – A single unnumbered paragraph in an appropriation measure. Most appropriation accounts include a number of activities or projects of a federal agency with a separate appropriation for each.

Appropriation Limitation – In budgetary parlance, a provision in an appropriations act establishing the maximum amount that may be obligated or spent for specified purposes. It may apply to the amount of direct loan obligations, guaranteed loan commitments, administrative expenses financed out of trust funds, or other purposes.

Authorization – (1) A statutory provision that establishes or continues a federal agency, activity, or program for a fixed or indefinite period of time. It may also establish policies and restrictions and deal with organizational and administrative matters. (2) A statutory provision that authorizes appropriations for an agency, activity, or program. The appropriations may be authorized for one year, several years, or an indefinite period of time, and the authorization may be for a specific amount of money or an indefinite amount ("such sums as may be necessary"). Authorizations of specific amounts are construed as ceilings on the amounts that subsequently may be appropriated in an appropriation bill, but not as minimums; either house may appropriate lesser amounts or nothing at all.

Authorization-Appropriation Process – The two-stage procedural system that the rules of each house require for establishing and funding federal agencies and programs: first, enactment of authorizing legislation that creates or continues an agency or program; second, enactment of appropriations legislation that provides funds for the authorized agency or program. The rules and precedents of the House establish four basic prohibitions: (1) no appropriation without an authorization in law, (2) no authorizing language in a general appropriation bill, (3) no appropriation in an authorizing measure, and (4) no appropriation larger than the amount, if any, specified in the authorization. The Senate's rules differ from those of the House in several ways. They permit appropriations for authorizations the Senate has previously passed in the same session of Congress, not only for those enacted into law as the House requires. Furthermore, the Senate permits appropriations for unauthorized purposes if proposed by its Appropriations Committee, by any committee with jurisdiction over that purpose, or by any senator if the appropriation appears in the President's budget estimates. The Senate also allows appropriations in authorizing measures. In all other respects, the Senate's prohibitions are the same as those in the House. And both houses agree that Congress may appropriate less than the authorized amount or no amount at all. To protect itself from the Senate's more liberal interpretation of the process, the House prohibits its conference managers from agreeing to (1) Senate amendments that violate the House's interpretation of authorized appropriations, or (2) appropriations in measures other than general appropriation bills. Although the conferees may agree to such provisions with the prior permission of the House, they ordinarily circumvent the rule by reporting the provisions as amendments in technical disagreement. The rules of this process are enforced only when members raise points of order against potential violations. Moreover, one or more of the prohibitions may be waived, and often are, by unanimous consent, suspension of the rules, or, in the House, by a special rule. The historical rationale for the process has been to prevent the delay of appropriation bills caused by disputes over substantive policy. However, such disputes still arise because the houses often circumvent the rules of the process.

Backdoor Spending Authority – Authority to incur obligations that evades the normal congressional appropriations process because it is provided in legislation other than appropriation acts. The most common forms are borrowing authority, contract authority, and entitlement authority. From the perspective of the appropriations committees, funding by these forms of spending authority slips away from their control through legislative back doors. However, the Congressional Budget Act of 1974 gave those committees some control over new borrowing and contract authority.

Balanced Budget – Loosely, a budget with a surplus rather than a deficit. In governmental accounting terms, a budget in which anticipated or actual total revenues equal anticipated or actual total expenditures. Conversely, an unbalanced budget is one in which expenditures exceed revenues, or vice versa. The President's budget and the one Congress agrees to each year are anticipatory budgets, consisting of estimates and assumptions about future economic conditions, demographic developments, and workload. Even using the most sophisticated and rigorously objective techniques, those estimates and assumptions are subject to error. A one percent mistake in the assumption about the number of unemployed in an upcoming fiscal year, for instance, may change expected revenues and expenditures by billions of dollars. Moreover, the estimates and assumptions made by both the president and Congress are often influenced by political considerations and therefore subject to further error. Consequently, a nominally "balanced" budget on paper may turn out to be unbalanced when government auditors add up actual expenditures and revenue collections after a fiscal year has ended.

Balanced Budget Act of 1997 (BBA; P.L. 105-33) – Enacted by the 105th Congress, the BBA produced the first balanced budget in 30 years, four years ahead of schedule. The budget agreement implemented the framework to balance the budget by FY 2002 by cutting taxes for the first time in 16 years, reforming Medicare to prevent it from going bankrupt by as early as 2001, producing more than $600 billion in entitlement savings over the next 10 years, and slowing the growth of total federal spending by nearly $1 trillion over 10 years.

Balanced Budget Amendment – A proposal for a constitutional amendment mandating that federal expenditures not exceed federal revenues in any fiscal year. Several versions have been offered. Most permit exceptions when both houses of Congress agree by votes larger than a simple majority; most also require the President to submit balanced budgets each year.

Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 – A law that amended the Gramm-Rudman-Hollings Act of 1985 by extending the goal of a balanced budget until fiscal year 1993, revising the sequestration process, and requiring the Director of the Office of Management and Budget to determine whether a sequester is necessary.

Baseline – A projection of the levels of federal spending, revenues, and the resulting budgetary surpluses or deficits for the upcoming and subsequent fiscal years, taking into account laws enacted to date and assuming no new policy decisions. It provides a benchmark for measuring the budgetary effects of proposed changes in federal revenues or spending, assuming certain economic conditions. Baseline projections are prepared by the Congressional Budget Office and used by the Budget Committees to develop of the annual budget resolution and reconciliation instructions.

Biennial Budgeting – Budgeting for a two-year period. Under a biennial budgeting approach, the fiscal period would cover two calendar years rather than one. Although the federal government uses an annual budget, some have proposed switching to a biennial budget to free up more time for congressional oversight activities and for other reasons.

Borrowing Authority – Statutory authority permitting a federal agency, such as the Export-Import Bank, to borrow money from the public or the Treasury to finance its operations. It is a form of backdoor spending. To bring such spending under the control of the congressional appropriation process, the Congressional Budget Act requires that new borrowing authority shall be effective only to the extent and in such amounts as are provided in appropriations acts.

Breach – The amount above the discretionary spending limits or caps set by the Budget Enforcement Act of 1990. The act requires that the breach be eliminated by sequestering budgetary resources.

Budget – A detailed statement of actual or anticipated revenues and expenditures during an accounting period. For the national government, the period is the federal fiscal year (October 1-September 30). The budget usually refers to the president's budget submission to Congress early each calendar year. The president's budget estimates federal government income and spending for the upcoming fiscal year and contains detailed recommendations for appropriation, revenue, and other legislation. Congress is not required to accept or even vote directly on the President's proposals, and it often revises the President's budget extensively.

Budget Act – Common name for the Congressional Budget and Impoundment Control Act of 1974, which established the basic procedures of the current congressional budget process; created the House and Senate budget committees; and enacted procedures for reconciliation, deferrals, and rescissions.

Budget Allocation – (1) In congressional budgeting usage, the portion of budget authority, outlays, and other resources from a budget resolution that is assigned to a committee that has jurisdiction over such resources. The Congressional Budget Act of 1974 requires the distribution of allocations to all appropriate committees in each house, and it also directs each committee to subdivide its allocation among its programs or subcommittees. The allocations appear in the statement of the managers that accompanies the conference report on a budget resolution. (2) In executive branch budgeting parlance, the budget authority and other resources transferred from one agency's account to another agency to carry out the purposes of the parent account.

Budget Amendment – A formal revision of the President's annual budget submitted to Congress before it has completed action on appropriations.

Budget and Accounting Act of 1921 – The law that, for the first time, authorized the president to submit to Congress annual budget for the entire federal government. Prior to the act, most federal agencies sent their budget requests to the appropriate congressional committees without review by the president. The act also established a Bureau of the Budget (renamed the Office of Management and Budget [OMB] in 1970) to assist the President in preparing a budget and the General Accounting Office (GAO), headed by the comptroller general of the United States, to act as the principal auditing agency of the federal government.

Budget Authority – Generally, the amount of money that may be spent or obligated by a government agency or for a government program or activity. Technically, it is statutory authority to enter into obligations that normally result in outlays. The main forms of budget authority are appropriations, borrowing authority, and contract authority. It also includes authority to obligate and expend the proceeds of offsetting receipts and collections. Congress may make budget authority available for only one year, several years, or an indefinite period, and it may specify definite or indefinite amounts.

Budget Authority Balances – The amount of budget authority provided in previous fiscal years that had not been spent by the start of the current fiscal year. Obligated balances are amounts that were obligated but not paid before that date; usually these amounts remain available in succeeding fiscal years until they are used to pay for the obligation. Unobligated balances of budget authority that Congress made available for only one fiscal year lapse at the end of that year; the agency to which the budget authority was granted loses it. The balances of multiyear or no-year budget authority may be obligated, respectively, during the years for which they have been made available or for an indefinite period.

Budget Crosswalk – Another term for the allocation of budget authority and outlay amounts in a budget resolution to congressional committees according to their jurisdictions and the committees' subdivision of those amounts among their programs or subcommittees.

Budget Enforcement Act of 1990 – An act that revised the sequestration process of the Gramm- Rudman-Hollings Act of 1985, replaced its fixed deficit targets with adjustable ones, established discretionary spending limits for fiscal years 1991 through 1995, instituted pay-as-you-go rules to enforce deficit neutrality on revenue and mandatory spending legislation, and reformed the budget and accounting rules for federal credit activities. Unlike Gramm-Rudman- Hollings, the 1990 act emphasized restraints on legislated changes in taxes and spending instead of fixed deficit limits.

Budget Estimate Pursuant to Law – A dollar amount requested in the President's budget or in his revision of it. Although a Senate rule bans amendments that increase an appropriation in a general appropriation bill or that add unauthorized appropriations to it, an exception is made for amendments "proposed in pursuance of an estimate submitted in accordance with law." This is interpreted to mean that an amendment to appropriate funds for an unauthorized purpose is allowed if the President's estimate does not mention the need for an authorization and if the amount in the amendment does not exceed the estimate.

Budget Process – (1) In Congress, the procedural system it uses (a) to approve an annual concurrent resolution on the budget that sets goals for aggregate and functional categories of federal expenditures, revenues, and the surplus or deficit for an upcoming fiscal year; and (b) to implement those goals in spending, revenue, and, if necessary, reconciliation and debt-limit legislation.(2) In the executive branch, the process of formulating the President's annual budget, submitting it to Congress, defending it before congressional committees, implementing subsequent budget-related legislation, impounding or sequestering expenditures as permitted by law, auditing and evaluating programs, and compiling final budget data. The Budget and Accounting Act of 1921 and the Congressional Budget and Impoundment Control Act of 1974 established the basic elements of the current budget process. Major revisions were enacted in the Gramm- Rudman-Hollings Act of 1985 and the Budget Enforcement Act of 1990. In Congress, the Budget Committee of each house prepares and reports a budget resolution after reviewing the President's budget, the views of other committees, and analyses and baseline data prepared by the Congressional Budget Office. The two houses are supposed to approve their respective versions of the resolution and settle the differences between them by April15. Each budget committee then allocates spending amounts set in the resolution among the appropriate committees in its house. Congress implements the budget resolution through its annual appropriation bills and, if necessary, revenue and other legislation, including reconciliation bills. All of this is supposed to occur before October 1, the beginning of the new federal fiscal year. The laws provide a variety of points of order to enforce compliance with the process and with the provisions of the budget resolution. One bars consideration of any revenue, spending, entitlement, or debt-limit measure for a fiscal year before Congress has agreed to the resolution for that year. Other points of order can be raised against consideration of legislation or amendments that (1) violate the aggregate spending ceiling or revenue floor in a budget resolution, (2) exceed a committee's allocations or subdivisions, (3) violate the deficit neutrality rules that apply to reconciliation bills, or (4) add extraneous matters to a reconciliation bill. However, points of order may be waived in each house by various means. Because the houses often miss the April 15 deadline, the regular annual appropriation bills are allowed to come before the House beginning May 15 even if the budget resolution has not yet been approved. In any event, the House Appropriations Committee is required to report all annual appropriation bills no later than June 10 of each year.

Budget Receipts – Funds collected by the government from the public generally and from premium payments by participants in certain social insurance programs. Collections from the general public consist primarily of taxes, but they also include court fines, certain license fees, deposits of earnings by the Federal Reserve System, and gifts. Budget receipts do not include various offsetting receipts; under federal government accounting practices, these are deducted from outlays. The budget surplus or deficit is calculated by comparing total budget receipts with total outlays.

Budget Resolution – A concurrent resolution in which Congress establishes or revises its version of the federal budget's broad financial features for the upcoming fiscal year and several additional fiscal years. Like other concurrent resolutions, it does not have the force of law, but it provides the framework within which Congress subsequently considers revenue, spending, and other budget-implementing legislation. The framework consists of two basic elements: (1) aggregate budget amounts (total revenues, new budget authority, outlays, loan obligations and loan guarantee commitments, deficit or surplus, and debt limit); and (2) subdivisions of the relevant aggregate amounts among the functional categories of the budget. The resolution also may contain reconciliation instructions to various committees. Although it does not allocate funds to specific programs or accounts, the Budget Committees' reports accompany accompanying the resolution often discuss the major program assumptions underlying its functional amounts. Unlike those amounts, however, the assumptions are not binding on Congress. The Congressional Budget Act requires only one budget resolution each year but permits additional ones as necessary. Congress should complete action on the first resolution by April 15 of each year. Under current requirements, the budget resolution must cover the upcoming and four subsequent fiscal years. In both houses, budget resolutions are privileged and debate time on them is limited. One Budget Act rule permits amendments that change numbers in the resolution to achieve internal mathematical consistency, even when the amendment alters numbers previously amended.

Budget Totals – Totals for budget authority, outlays, and receipts. The on-budget and off-budget totals are combined to derive a total for federal activity.

Budgetary Resources – (1) In general budgeting parlance, amounts available for obligation in a fiscal year, including new budget authority, unobligated balances of budget authority, direct spending authority, and obligation limitations. (2) Resources that are subject to sequestration under the terms of the Gramm-Rudman-Hollings-Act.

Byrd Rule – Popular name of an amendment to the Congressional Budget Act that bars the inclusion of extraneous matter in any reconciliation legislation considered in the Senate. Enforcement of the ban requires a point of order sustained by the chair. The provision defines different categories of extraneous matter, but it also permits certain exceptions. Its chief sponsor was Sen. Robert C. Byrd (D-W.Va.).

Cap – The statutory limit for a fiscal year on the amount of new budget authority and outlays allowed for discretionary spending. The Budget Enforcement Act of 1990 requires a sequester in a category if a cap is exceeded.

Changing Existing Law – In House terminology, a reference to language changing existing substantive or authorizing law that appears in, or is offered as an amendment to, a general appropriation bill. A House rule prohibits such changes except to retrench expenditures or rescind appropriations.

Congressional Budget and Impoundment Control Act of 1974 – The law that established the basic elements of the congressional budget process, the House and Senate Budget Committees, the Congressional Budget Office, and the procedures for congressional review of impoundments in the form of rescissions and deferrals proposed by the President. The budget process consists of procedures for coordinating congressional revenue and spending decisions made in separate tax, appropriations, and legislative measures. The impoundment provisions were intended to give Congress greater control over executive branch actions that delay or prevent the spending of funds provided by Congress.

Congressional Budget Office (CBO) – A congressional support agency created by the Congressional Budget and Impoundment Control Act of 1974 to provide nonpartisan budgetary information and analysis to Congress and its committees. The statute requires CBO to give priority for its services to the budget committees, to the appropriations and revenue committees in each house, and to all other committees, in that order. The office produces five-year economic projections, budget baseline projections, spending and revenue options for reducing the budget deficit, and analysis of the President's budget. It also provides budget scorekeeping reports, cost estimates on pending legislation, and a variety of special studies. Under the original version of the Gramm-Rudman-Hollings Act, CBO played an equal role with the Office of Management and Budget in calculating sequestration data. After the Supreme Court struck down a related part of that act as unconstitutional in 1986, CBO's role was limited to providing advisory sequestration reports.

Contingency Appropriation – An appropriation that becomes available only if some specified future action occurs. Such an action might be submission of a report by a federal official, settlement of litigation, enactment of an authorization, or enactment of some other specified law. Contingency appropriations in general appropriation bills are not in order in either house if points of order are raised against them, although their frequency has increased in recent years in contentious policy areas.

Contingent Fund – A Senate appropriations account that authorizes and appropriates funds for certain Senate activities. The account includes appropriations for committee investigations, the Senate Caucus on International Narcotics Control, office of the Secretary of the Senate, office of the Senate Sergeant at Arms and Doorkeeper, the Senator's Official Personnel and Office Expense Account, stationery for Senate offices, official mail costs, and other specified Senate activities. All appropriations in the Contingent Fund account are made for specific purposes and periods of time. One appropriation within the account is made for unanticipated costs of activities authorized in Senate resolutions and public laws but for which specific appropriations are not made. Usually, resolutions and laws will direct that appropriations for new activities authorized in them be paid for from the Contingent Fund account. There is an accounting of expenditures of appropriations in the account. Prior to FY1993, there was a House appropriations heading titled, Contingent Expenses of the House, under the House account titled, "Salaries and Expenses." Within the heading were appropriations made for specific purposes and also for specific time availability.

Contingent Liability – A conditional commitment by the government, such as a loan guarantee, price guarantee, or bank deposit insurance, that may become an actual liability in the future and require the expenditure of federal funds because of an event beyond the government's control, such as a bank failure.

Continuing Resolution (CR) – A joint resolution that provides funds to continue the operation of federal agencies and programs at the beginning of a new fiscal year if their annual appropriation bills have not yet been enacted; also called continuing appropriations. Enacted shortly before or after the new fiscal year begins, the first continuing resolution usually makes funds available for a specified period; additional resolutions are often needed after the first expires. Some CRs have provided appropriations for an entire fiscal year. Continuing resolutions for specific periods customarily fix a rate at which agencies may incur obligations based either on the prior year's appropriations, the President's budget request, or the amount in the agency's regular annual appropriation bill that has already been passed by one or both houses. In the House, continuing resolutions are privileged after September 15.

Contract Authority – Statutory authority permitting an agency to enter into contracts or incur other obligations even though it has not received an appropriation to pay for them. Congress must eventually fund them because the government is legally liable for such payments. The Congressional Budget Act of 1974 requires that new contract authority may not be used unless provided for in advance by an appropriation act, but it permits a few exceptions.

Controllable Expenditures – Federal spending that is permitted but not mandated by existing authorization law and therefore may be adjusted by congressional action in appropriation bills.

Cost Estimates – Estimates of the outlays and other budgetary impacts, including unfunded mandates, that would ensue under legislation. In both houses, a committee's report on a measure must include an estimate of its cost "in the fiscal year in which it is reported and in each of the five fiscal years following" or for the authorized duration of any program in the measure, if less than five years. These estimates are usually provided by the Congressional Budget Office. If appropriate, the report must also present five-year estimates of revenue changes, prepared by the Joint Committee on Taxation. Both houses permit points of order to prevent floor consideration of measures if the committee reports on them do not contain such estimates. However, the Senate rule waives the point of order if the report declares that compliance is impracticable. In addition, the Office of Management and Budget must provide cost estimates of budgetary legislation within five days of its enactment to assist Congress in complying with discretionary spending limits and PAYGO requirements.

Credit Authority – Authority granted to an agency to incur direct loan obligations or to make loan guarantee commitments. The Congressional Budget Act of 1974 bans congressional consideration of credit authority legislation unless the extent of that authority is made subject to provisions in appropriation acts.

Credit Budget – The levels of new federal direct loan obligations and new loan guarantee commitments that appear in a budget resolution. They are the basis for limitations on direct and guaranteed loans in appropriations acts. Procedures established in the Federal Credit Reform Act of 1990 have largely superseded the credit budget.

Credit Subsidy Cost – The estimated long-term cost of a direct loan or loan guarantee to the federal government. The cost is calculated on the basis of the net present value of the cash flows of the loan or guarantee, excluding administrative costs and any incidental effects on governmental receipts or outlays.

Current Services Estimates – Executive branch estimates of the anticipated costs of federal programs and operations for the next and future fiscal years at existing levels of service and assuming no new initiatives or changes in existing law. The president submits these estimates to Congress with his annual budget and includes an explanation of the underlying economic and policy assumptions on which they are based, such as anticipated rates of inflation, real economic growth, and unemployment, plus program caseloads and pay increases.

Debt Limit – The maximum amount of outstanding federal public debt permitted by law. The limit (or ceiling) covers virtually all debt incurred by the government except agency debt. Each congressional budget resolution sets forth the new debt limit that may be required under its provisions.

Deferral – An impoundment of funds for a specific period of time that may not extend beyond the fiscal year in which it is proposed. Under the Impoundment Control Act of 1974, the President must notify Congress that he is deferring the spending or obligation of funds provided by law for a project or activity. Congress can disapprove the deferral by legislation. The President may defer funds to provide for contingencies when savings have been made through greater operational efficiency or for similar reasons, but not because of opposition to a program, or to reduce federal spending, or for any other policy reason. The comptroller general of the United States reviews all deferrals and advises Congress about their legality and possible effects.

Deficit – The amount by which the government's outlays exceed its budget receipts for a given fiscal year. Both the President's budget and the annual congressional budget resolution provide estimates of the deficit or surplus for the upcoming and several future fiscal years.

Deficit Neutrality – A requirement that certain proposals to increase spending or reduce revenues be offset by at least equivalent reductions in other spending or increases in other revenue sources so that they do not increase the deficit. The Congressional Budget Act of 1974 applies the requirement to amendments offered to a reconciliation bill.

Direct Loan – Defined by the Budget Enforcement Act of 1990 as a disbursement of funds by the government to a nonfederal borrower under a contract that requires the repayment of such funds with or without interest. It may also be a loan made by another lender in which the government participates or that it purchases. The definition excludes federally guaranteed loans acquired in satisfaction of default claims and the price support loans of the Commodity Credit Corporation.

Direct Spending – Under the Budget Enforcement Act of 1990, direct spending consists of budget authority and resulting outlays provided in laws other than appropriation acts; entitlement authority including appropriated entitlements; and the Food Stamp Program.

Discretionary Appropriations – Appropriations not mandated by existing law and therefore made available annually in appropriation bills in such amounts as Congress chooses. The Budget Enforcement Act of 1990 defines discretionary appropriations as budget authority provided in annual appropriation acts, and the outlays derived from that authority, but it excludes appropriations for entitlements. Under present law, the act sets limits on total discretionary spending through fiscal year 1998. Excess amounts are subject to presidential sequestration if Congress fails to enforce the limits.

Discretionary Spending – Spending controlled by the Appropriations Committee and appropriated through the 13 annual appropriations bills. Discretionary spending is often divided into three categories: defense (which funds the military activities of the Department of Defense and the defense-related functions of other agencies), international (which encompasses spending for foreign economic and military aid, the Department of State and international finance programs) and domestic (which includes, among other things, the government's science, transportation, law enforcement, education, health, and housing activities).

Discretionary Spending Caps – Ceilings on budget authority and outlays for discretionary programs as defined by the Budget Enforcement Act of 1990. For FY 1991-93, the caps were divided among the three categories of discretionary spending – defense, international, and domestic. Discretionary spending caps are enforced through congressional rules and sequestration procedures.

Earmark – To set aside funds for a specific purpose, use, or recipient. Generally speaking, virtually every appropriation is earmarked, and so are certain revenue sources credited to trust funds. In common usage, however, the term is often applied as an epithet for funds set aside for such purposes as research projects, demonstration projects, parks, laboratories, academic grants, and contracts in particular congressional districts or states or for certain specified universities or other organizations.

Emergency Appropriation – Under the Budget Enforcement Act of 1990, a discretionary appropriation designated as an emergency requirement by the president and, in a statute, by Congress. An emergency appropriation results in an increase in the caps.

Entitlement Program – A federal program under which individuals, businesses, or units of government that meet the requirements or qualifications established by law are entitled to receive certain payments if they seek such payments. Major examples include Social Security, Medicare, Medicaid, unemployment insurance, and military and federal civilian pensions. Some entitlements are funded by permanent appropriations, others by annual appropriations. In either case, they are a form of backdoor and mandatory spending. Congress cannot control their expenditures by refusing to appropriate the sums necessary to fund them because the government is legally obligated to pay eligible recipients the amounts to which the law entitles them, and recipients can take legal action if the government fails to do so. Under many entitlement programs, spending automatically increases or decreases over time as the number of recipients eligible for benefits varies. Some entitlement benefits are indexed for inflation; that is, the amount of the benefit is automatically increased by a specified percentage if the national cost-of-living index rises by a specified percentage. The increases are commonly called COLAs, an acronym for cost-of-living allowances.

Expedited Procedures – Statutory rules that provide procedures for relatively speedy consideration of certain measures. Usually, these include a deadline for committee consideration, a privileged motion to discharge if the committee fails to meet the deadline, immediate floor consideration under limited debate, and a ban on amendments. Examples include procedures for acting on rescission measures and for joint resolutions repealing legislation passed by the government of the District of Columbia.

Expired Account – An appropriation or fund account with an unobligated balance that may not be spent or obligated because the time limit for such actions has expired.

Federal Credit Reform Act of 1990 – A law that established a system of budgeting for the subsidized cost of federal direct loans and loan guarantees. Under this system, Congress appropriates budget authority or provides indefinite authority equal to the subsidy cost. The budget authority is placed in a program account from which funds are disbursed to a financing account. The Credit Reform Act appears as Title V of the Congressional Budget Act of 1974 where it was inserted by the Budget Enforcement Act of 1990. The reform act also established new budgetary and accounting rules for federal loans. It put direct and guaranteed loans on an equal footing; provided a means for recognizing a change in the status of loans in the budget and for controlling guaranteed loans at the time the commitments are made; and provided a basis for comparing direct and guaranteed loans with other uses of budgetary resources.

Federal Debt – The total amount of funds borrowed and not yet repaid by the federal government. Federal debt consists of public debt and agency debt. Public debt is the portion of the federal debt borrowed by the Treasury or the Federal Financing Bank directly from the public or from another federal fund or account. For example, the Treasury regularly borrows money from the Social Security trust fund. Public debt accounts for about 99 percent of the federal debt. Agency debt refers to the debt incurred by federal agencies like the Export-Import Bank, but excluding the Treasury and the Federal Financing Bank, which are authorized by law to borrow funds from the public or from another government fund or account.

Financing Account – An account that receives payments from a credit program account established under the terms of the Federal Credit Reform Act of 1990. The account includes cash flows to and from the government resulting from direct loan obligations or loan guarantee commitments. At least one financing account is established for each credit program account. Financing accounts are excluded from budget totals, however, because they are used to finance only the nonsubsidized portion of federal credit activities.

Fiscal Year – The federal government's annual accounting period. It begins October 1 and ends on the following September 30. A fiscal year is designated by the calendar year in which it ends and is often referred to as FY. Thus, fiscal year 1998 began October 1, 1997, ended September 30, 1998, and is called FY98. In theory, Congress is supposed to complete action on all budgetary measures applying to a fiscal year before that year begins. It rarely does so. From 1884 to 1976, the fiscal year ran from July 1 to June 30 of the following year. The Congressional Budget Act of 1974 changed the dates to accommodate the timetable it established for the new congressional budget process.

Forward Funding – A type of multiyear appropriation that is made available in the middle or toward the end of a fiscal year and remains available through the next fiscal year: for example, from July 1 of one year through September 30 of the next. The amount is charged against the budget for the fiscal year in which the appropriation becomes available, not against the budget of the succeeding fiscal year.

Full Funding – (1) An appropriation that finances the full estimated cost of a project or activity that will take several years to complete and that requires periodic or intermittent expenditures over that period of time: for example, a construction project or a procurement program. In contrast, incremental funding refers to instances in which Congress provides funds in each fiscal year for only that year's portion of the estimated total cost of the project or activity. (2) Sometimes refers to an appropriation that provides the full amount authorized in law for a project or activity for an upcoming fiscal year.

Function or Functional Category – A broad category of national need and spending of budgetary significance. A category provides an accounting method for allocating and keeping track of budgetary resources and expenditures for that function because it includes all budget accounts related to the function's subject or purpose. A congressional budget resolution lists all the functional categories and the portion of aggregate budget amounts allocated to each. As of 1998 there were twenty functional categories, each divided into a number of subfunctions. They included such national-need categories as agriculture, administration of justice, commerce and housing credit, energy, income security, transportation, and national defense. Those not assigned to national needs were net interest and undistributed offsetting receipts. Accounts are placed in the function that best represents their major purpose; consequently, functions do not necessarily correspond with appropriations acts or with the budgets of individual agencies.

Funding Gap – A term sometimes applied to a period when federal agencies lack authority to obligate or spend funds because their appropriations for that period have not been enacted. Spending gaps occur most frequently at the beginning of a fiscal year, but agencies occasionally run out of money later in the year. During such periods, agencies sometimes furlough many of their employees and shut down many of their operations. A law permits agencies to classify certain employees as essential for carrying out activities involving the safety of human life and protection of property and to retain them during spending gaps, but it has been alleged that some agencies have applied that classification to employees engaged in routine activities. The Budget Enforcement Act of 1990 amended the law to emphasize that routine activities should not be continued during funding gaps.

General Appropriation Bill – A term applied to each of the thirteen annual bills that provide funds for most federal agencies and programs and also to the supplemental appropriation bills that contain appropriations for more than one agency or program. Only general appropriation bills are subject to the rules of the authorization-appropriation process; special appropriation bills are not. Because the House classifies continuing resolutions as special rather than general appropriations, unauthorized appropriations in, or offered as amendments to, such resolutions are not subject to points of order. The Senate, however, classifies continuing resolutions as general bills and permits points of order against such amendments. The Constitution does not require annual appropriations, but Congress has funded most agencies and programs annually since the first Congress. Because it rarely enacts all the regular annual appropriation bills before the beginning of the fiscal year to which they apply, Congress resorts to one or more stopgap funding measures (that is, continuing resolutions) every year so that all government agencies can continue to function.

Gephardt Rule – A House rule providing for automatic House passage of a joint resolution increasing the statutory limit on the public debt when the House agrees to a budget resolution that requires such an increase. The amount of the increase in the joint resolution must conform with the level established in the budget resolution. The final House vote on the budget resolution is deemed to be the vote on the joint resolution, thus, a separate direct vote on raising the debt limit is avoided. Rep. Richard A. Gephardt (D-Mo.) was the rule's chief sponsor. If Congress does not enact legislation to raise the public debt limit when that limit has been reached, the government cannot borrow sufficient monies to pay for all of its commitments and its credit is endangered. Nevertheless, before the first version of this rule was approved in 1979, the House sometimes rejected such legislation because many Members feared a direct vote on it would harm them politically or because they opposed it for ideological or political reasons. In the Senate, which has no such rule, the measure is often the target of numerous riders because it is considered to be virtually veto-proof.

Gramm-Rudman-Hollings Act of 1985 – Common name for the Balanced Budget and Emergency Deficit Control Act of 1985, which established new budget procedures intended to balance the federal budget by fiscal year 1991--a goal subsequently extended to 1993. To achieve that goal, the act set annual maximum deficit targets and mandated automatic across-the-board spending cuts, called sequesters, by the President to enforce the limits. It also extensively amended the Congressional Budget Act of 1974. The act' s chief sponsors were Senators Phil Gramm (R-Texas), Warren Rudman (R-N.H.), and Ernest Hollings (D-S.C.). In 1986, the Supreme Court invalidated a provision of the act that authorized the General Accounting Office to determine the sequestrations required of the President. The Court held that the provision violated the Constitution's separation-of-powers doctrine because GAO is a legislative agency. In 1987, Congress assigned the function to the Office of Management and Budget as part of the Balanced Budget and Emergency Deficit Control Reaffirmation Act.

Humphrey-Hawkins Debate – Debate on the budget resolution in the House may not exceed 10 hours, not including up to four hours of debate (known as Humphrey-Hawkins time) reserved for the discussion of economic goals and policies. Originally included in the so-called Humphrey-Hawkins Act of 1978 (P.L. 95-523; amended by P.L. 97-258) and found in Section 305(a)(2) of the Congressional Budget Act; this debate time is intended to focus on the big-picture of the federal budget, rather than the budget resolution's specific provisions.

Impoundment – An executive branch action or inaction that delays or withholds the expenditure or obligation of budget authority provided by law. The Impoundment Control Act of 1974 classifies impoundments as either deferrals or rescissions, requires the president to notify Congress about all such actions, and gives Congress authority to approve or reject them. The Constitution is unclear on whether a president may refuse to spend appropriated money, but Congress usually expects the President to spend at least enough to achieve the purposes for which the money was provided whether or not he agrees with those purposes.

Impoundment Control Act of 1974 – A title within the Congressional Budget and Impoundment Control Act of 1974 that prescribes procedures for congressional review and control over impoundments proposed by the executive branch.

Incremental Funding – The appropriation by Congress in one fiscal year of only a portion of the estimated total cost of a project or activity that may take several years to complete and require periodic or intermittent expenditures over that period of time.

Legislation on an Appropriation Bill – A common reference to provisions changing existing law that appear in, or are offered as amendments to, a general appropriation bill. A House rule prohibits the inclusion of such provisions in general appropriation bills unless they retrench expenditures. An analogous Senate rule permits points of order against amendments to a general appropriation bill that propose "general legislation." The intent of both rules is to enforce the separation between substantive legislation and appropriations legislation.

Limitation on a General Appropriation Bill – Language that prohibits expenditures for part of an authorized purpose from funds provided in a general appropriation bill. Precedents require that the language be phrased in the negative: that none of the funds provided in a paragraph or the act shall be used for a specified activity. Limitations in general appropriation bills are permitted on the grounds that Congress can refuse to fund authorized programs and, therefore, can refuse to fund any part of them as long as the prohibition does not change existing law. House precedents have established that a limitation does not change existing law if it does not impose additional duties or burdens on executive branch officials, interfere with their discretionary authority, or require them to make judgments or determinations not required by existing law. The proliferation of limitation amendments in the 1970s and early1980s prompted the House to adopt a rule in 1983 making it more difficult for members to offer them. The rule bans such amendments during the reading of an appropriation bill for amendments unless they are specifically authorized in existing law. Other limitations may be offered after the reading, but the Committee of the Whole can foreclose them by adopting a motion to rise and report the bill back to the House. In 1995, the rule was amended to allow the motion to rise and report to be made only by the majority leader or his designee. The House Appropriations Committee, however, can include limitation provisions in the bills it reports.

Liquidating Appropriation – An appropriation to pay obligations incurred under contract authority.

Loan Guarantee – A statutory commitment by the federal government to pay part or all of a loan's principal and interest to a lender or the holder of a security in case the borrower defaults. The Federal Credit Reform Act of 1990 requires that the cost of guaranteed loans be included in the computation of budget authority and outlays. The congressional budget resolution includes loan guarantee totals.

Look-Back – A procedure that closes sequestration loopholes for pay-as-you-go violations and for breaches of discretionary spending limits. Under the Budget Enforcement Act of 1990, a deficit increase for a fiscal year caused by direct spending or revenue legislation results in a sequester only once a year--within fifteen days after the end of a session of Congress. When Congress causes such a deficit increase for that fiscal year after the sequester for that year, the look-back procedure requires that the next year's sequestration reduce funding to offset that amount. Appropriations that breach the discretionary spending limit for the current fiscal year trigger a sequester only if they are enacted before July 1 of that year. When an appropriation enacted after that date causes such a breach, the look-back procedure requires an equivalent reduction in the appropriate spending limits for the next fiscal year.

Mandatory Appropriations – Amounts that Congress must appropriate annually because it has no discretion over them unless it first amends existing substantive law. Certain entitlement programs, for example, require annual appropriations.

Maximum Deficit Amounts – The maximum amount of the federal budget deficit for each fiscal year specified in the Gramm-Rudman-Hollings Act. Under the Budget Enforcement Act of 1990, the President may make certain adjustments in the maximum deficit level permitted in any year. If the deficit for a particular year is estimated to exceed the adjusted maximum deficit amount by more than a specified margin, a sequester is required to eliminate the excess.

Mid-Session Budget Review – A report to Congress that is prepared by the Office of Management and Budget updating the President's budget estimates and economic forecast. The President is required to submit it no later than July 15 each year.

Multiyear Appropriation – An appropriation that remains available for spending or obligation for more than one fiscal year; the exact period of time is specified in the act making the appropriation. Some multiyear appropriations are made available for periods that do not coincide with the beginning or end of a fiscal year.

Multiyear Authorization – (1) Legislation that authorizes the existence or continuation of an agency, program, or activity for more than one fiscal year. (2) Legislation that authorizes appropriations for an agency, program, or activity for more than one fiscal year.

No-Year Appropriation – An appropriation that is obligated for an indefinite period. The unobligated balances of one-year and multiyear appropriations revert to the Treasury at the end of the period for which they are provided.

Obligated Balance – The amount of an appropriation that has been obligated but not spent. Usually this balance is carried forward to succeeding fiscal years until the obligations are paid.

Obligation – A binding agreement by a government agency to pay for goods, products, services, studies, and the like, either immediately or in the future. When an agency enters into such an agreement, it incurs an obligation. As the agency makes the required payments, it liquidates the obligation. Appropriation laws usually make funds available for obligation for one or more fiscal years but do not require agencies to spend their funds during those specific years. The actual outlays can occur years after the appropriation is obligated; for example, a contract for payment for a submarine when it is delivered in the future. Such obligated funds are often said to be "in the pipeline." Under these circumstances, an agency's outlays in a particular year can come from appropriations obligated in previous years as well as from its current-year appropriation. Consequently, the money Congress appropriates for a fiscal year rarely coincides with the total amount of appropriated money the government will actually spend in that year.

Off-Budget Entities – Specific federal entities whose budget authority, outlays, and receipts are excluded by law from the calculation of budget totals, although they are part of government spending and income. As of early 1993, these included the Social Security trust funds (Federal Old-Age and Survivors Insurance Fund and the Federal Disability Insurance Trust Fund) and the Postal Service. Government- sponsored enterprises are also excluded from the budget because they are considered private rather than public organizations.

Offsetting Receipts – Funds collected by the federal government that are not counted as revenue. Instead, they are deducted from outlays and are called negative outlays. Some receipts are proprietary ones from the public such as flat premiums for supplementary medical insurance, funds from timber and oil leases, and proceeds from the sale of electric power. Others are intergovernmental transactions such as payments by federal agencies to retirement and other funds. Some offsetting receipts are deducted from specific budget accounts; others, called undistributed offsetting receipts, are deducted from total outlays.

Omnibus Bill – A measure that combines the provisions of several disparate subjects into a single and often lengthy bill.

Examples include reconciliation bills, continuing resolutions that contain all or most of the thirteen general appropriation bills, and omnibus claims bills that combine several private bills into a single measure.

On-Budget – Transactions of all federal government entities that are included within the budget.

One-Year Appropriation – An appropriation made available for spending or obligation during a single year, usually the fiscal year specified in the enacting clause of the appropriation act. General appropriation acts usually provide one-year appropriations. Any portion of an agency's one-year appropriation that it does not spend or obligate during that fiscal year is said to lapse, and the agency loses it.

Outlays – Amounts of government spending. They consist of payments, usually by check or in cash, to liquidate obligations incurred in prior fiscal years as well as in the current year, including the net lending of funds under budget authority. In federal budget accounting, net outlays are calculated by subtracting the amounts of refunds and various kinds of reimbursements to the government from actual spending.

Outyears – Years that follow an upcoming fiscal year. The Congressional Budget Act of 1974 requires both the president and Congress to make projections of economic conditions and budget estimates for several outyears. In addition, committee reports on measures are required to contain cost estimates of that measure for the upcoming fiscal year and the following five fiscal years.

Pay-As-You-Go (PAYGO) – A requirement of the Budget Enforcement Act of 1990 that congressional action on revenue legislation and legislation on entitlement or other mandatory programs should not add to the budget deficit. Increased spending for such programs resulting from new legislation and revenue losses from legislation reducing taxes or fees are supposed to be offset by legislated spending reductions in other programs subject to PAYGO or by legislated increases in other taxes. If Congress fails to enact the appropriate offsets, the act requires presidential sequestration of sufficient offsetting amounts in specific direct spending accounts. Congress and the President can circumvent the requirement if both agree that an emergency makes a particular action necessary or if a law is enacted declaring that deteriorated economic circumstances make it necessary to suspend the requirement.

Permanent Appropriation – An appropriation that remains continuously available, without current action or renewal by Congress, under the terms of a previously enacted authorization or appropriation law. One such appropriation provides for payment of interest on the public debt and another the salaries of Members of Congress.

Permanent Authorization – An authorization without a time limit. It usually does not specify any limit on the funds that may be appropriated for the agency, program, or activity that it authorizes, leaving such amounts to the discretion of the appropriations committees and the two houses. A permanent authorization continues in effect unless, or until, Congress changes or terminates it.

Pork or Pork Barrel Legislation – Pejorative terms for federal appropriations, bills, or policies that provide funds to benefit a legislator's district or state, with the implication that the legislator presses for enactment of such benefits to ingratiate himself or herself with constituents rather than on the basis of an impartial, objective assessment of need or merit. The terms are often applied to such benefits as new parks, post offices, dams, canals, bridges, roads, water projects, sewage treatment plants, and public works of any kind, as well as demonstration projects, research grants, and relocation of government facilities. Funds released by the president for various kinds of benefits or government contracts approved by him allegedly for political purposes are also sometimes referred to as pork.

Power of the Purse – A reference to the constitutional power Congress has over legislation to raise revenue and appropriate funds from the Treasury. Article I, Section 8, states that Congress "shall have Power To lay and collect Taxes, Duties, Imposts and Excises, [and] to pay the Debts. . ." Section 9 declares: "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law. . . ."

Public Debt – Federal government debt incurred by the Treasury or the Federal Financing Bank by the sale of securities to the public or borrowings from a federal fund or account.

Reappropriation – Congressional action that permits all or part of the unobligated portion of an appropriation that has expired, or would otherwise expire, to remain available for obligation for the same or different purposes.

Reconciliation – A procedure for changing existing revenue and spending laws to bring total federal revenues and spending within the limits established in a budget resolution. Reconciliation begins with directives in the budget resolution instructing specific committees to report legislation adjusting revenues or spending within their respective jurisdictions by specified amounts, usually by a specified deadline. Although the total amount for each committee is based on program assumptions usually printed in the House and Senate Budget Committees' reports on the budget resolution, an instructed committee is not bound by them and can decide for itself how the total should be allocated. When several committees are instructed, the Budget Committee in each house consolidates their proposals in an omnibus reconciliation bill that the Budget Committee brings to the floor without changes but to which it may offer amendments. Amendments to the bill must be germane and deficit neutral. Debate on reconciliation bills is limited in both houses. Congress has applied reconciliation chiefly to revenues and mandatory spending programs, especially entitlements. Discretionary spending is controlled through annual appropriation bills.

Reconciliation Resolution – A concurrent resolution directing the Clerk of the House or the Secretary of the Senate, as appropriate, to make specified changes in bills and resolutions that have been passed but have not yet been enrolled to make them conform with the terms of the budget resolution. Under the Congressional Budget Act, a budget resolution can contain a provision delaying the enrollment of certain measures should such changes be necessary.

Reestimates – Changes made in executive branch or congressional budget estimates to reflect changes in economic conditions, spendout rates, workload, and other factors, but not the effects of changes in policy. From time to time, the reestimates are entered into budget baseline projections and score-keeping reports.

Reprogramming – An executive agency's shift of funds from one purpose to another within the same appropriation account. Reprogramming does not require specific statutory authority, but agencies usually consult with the appropriate congressional committees before taking such an action. Agencies often are required to give those committees formal notification and, in some instances, are expected to obtain their approval.

Rescission – A provision of law that repeals previously enacted budget authority in whole or in part. Under the Impoundment Control Act of 1974, the President can impound such funds by sending a message to Congress requesting one or more rescissions and the reasons for doing so. If Congress does not pass a rescission bill for the programs requested by the President within forty-five days of continuous session after receiving the message, the President must make the funds available for obligation and expenditure. If the President does not, the comptroller general of the United States is authorized to bring suit to compel the release of those funds. A rescission bill may rescind all, part, or none of an amount proposed by the president, and may rescind funds the president has not impounded. The term "continuous session" means days on which either house is in actual session. The houses rarely meet seven days a week; therefore, the forty-five-day deadline usually takes a longer period of calendar days to expire. Rescission bills are privileged in both houses and time for debate on them is limited. The Line Item Veto Act, enacted in 1996 but declared unconstitutional by the Supreme Court in 1997, authorized a special type of rescission authority for the President.

Retrenchment – A reduction in an amount of money contained in a general appropriation bill. Under the Holman Rule in the House of Representatives, a germane provision in, or amendment to, such a bill is permitted if it changes existing law by reducing the amount of money covered by the bill. During consideration of a general appropriation bill in Committee of the Whole, retrenchment amendments may be offered only after the reading for amendments has been completed, and then only if the committee does not prevent their offering by adopting a motion to rise and report the bill back to the House. Members have seldom used the Holman Rule in recent decades, relying instead on limitation amendments.

Revenue Legislation – Measures that levy new taxes or tariffs or change existing ones. Under Article I, Section 7, Clause 1 of the Constitution, the House of Representatives originates federal revenue measures, but the Senate can propose amendments to them. The House Ways and Means Committee and the Senate Finance Committee have jurisdiction over such measures, with a few minor exceptions. A House rule adopted in 1983 prohibits the reporting of a tax or tariff measure by a committee not having that jurisdiction; if the chair sustains a point of order on that basis, the offending provision is automatically stricken from the bill. The rule also prohibits a tax or tariff proposal offered as an amendment to a bill reported by a committee not having jurisdiction over such measures. On various occasions, the House has refused to consider Senate bills that, in its view, violated House prerogatives on revenue measures. Any House member may rise to a question of privilege on such a measure and introduce a resolution (often called a blue slip resolution) to return it. The House has also returned a nonrevenue House bill to which the Senate added a revenue amendment--the 1983 House rule prohibits consideration of such a Senate amendment to a House measure reported by a committee not having revenue jurisdiction.

Revolving Fund – A trust fund or account whose income remains available to finance its continuing operations without any fiscal year limitation.

Scorekeeping – The process of calculating the budgetary effects of pending and enacted legislation and assessing their impact on the targets or limits in the budget resolution, as required by the Congressional Budget Act of 1974. The Congressional Budget Office (CBO) produces detailed scorekeeping reports, and the Budget Committees issue summarized versions at least once a month and often more frequently. By using these reports and CBO's cost estimates on proposed legislation, members can determine whether approval of a particular amendment or bill would breach the spending ceilings or revenue floor, established by the budget resolution or the allocations of budget resolution amounts made to committees. Scorekeeping reports tabulate congressional actions affecting budget authority, receipts, outlays, the surplus or deficit, and the public debt limit. CBO derives its scorekeeping estimates from analyses of the president's budget, baseline budget projections, and bill cost estimates.

Sequestration – A procedure for canceling budgetary resources--that is, money available for obligation or spending--to enforce budget limitations established in law. Sequestered funds are no longer available for obligation or expenditure. Automatic sequestration occurs by presidential order following a report from the Office of Management and Budget (OMB) declaring that a specified budget limit has been breached. The procedure was first established in the Gramm- Rudman-Hollings Act and subsequently modified by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 and the Budget Enforcement Act of 1990. If OMB determines that a discretionary spending cap has been breached, a Presidential sequestration cancels enough budgetary resources in order to bring the total within the cap. If legislation that reduces revenues or increases direct spending also increases the deficit, a sequestration offsets the increase by reducing funding from entitlements not otherwise exempted by law. An end-of-session sequestration is one that occurs within fifteen calendar days after Congress adjourns. A within-session sequestration refers to one or more additional sequesters that can occur during the following session to eliminate any breach in the discretionary spending limits of the current fiscal year enacted before July 1. During the course of a session, OMB and the Congressional Budget Office are required to issue several sequestration preview reports. In addition, OMB must provide Congress with cost estimates of budgetary legislation within five days of enactment.

Special Appropriation Bill – An appropriation measure other than a general appropriation bill and therefore not subject to the rules of the authorization-appropriation process apply the term to measures providing appropriations for a single agency or purpose, but the House classifies a continuing resolution as special whereas the Senate regards it as a general measure.

Spending Authority – The technical term for backdoor spending. The Congressional Budget Act of 1974 defines it as borrowing authority, contract authority, and entitlement authority for which appropriation acts do not provide budget authority in advance. Under the Budget Act, legislation that provides new spending authority may not be considered unless it provides that the authority shall be effective only to the extent or in such amounts as provided in an appropriation act.

Subdivisions – The Congressional Budget Act of 1974 requires that committees that are allocated budget authority and outlay amounts from a budget resolution must subdivide them by programs or subcommittees. The Appropriations Committees must subdivide among their subcommittees. Other committees may subdivide by program or subcommittee.

Supplemental Appropriation Bill – A measure providing appropriations for use in the current fiscal year, in addition to those already provided in annual general appropriation bills. Supplemental appropriations are often for unforeseen emergencies requiring urgent expenditures that cannot be postponed until enactment of the next regular annual appropriations act. The funds may be in addition to those provided in previously enacted appropriation legislation, or to fund programs or activities authorized after enactment of the regular appropriation bills, or even for unauthorized programs. Supplemental appropriations enacted before July 1 trigger a sequestration fifteen days after enactment if they exceed the spending caps fixed by the Budget Enforcement Act of 1990 on discretionary spending. The sequestration involves automatic spending cuts to offset the excess budget authority over the cap.

Surplus – The amount by which the government's budget receipts exceed its outlays for a given fiscal year.

Tax – A payment imposed upon persons or groups for governmental support. The power to impose and collect federal taxes is given to the Congress in Article I, Section 8 of the Constitution. Collections that arise from the sovereign powers of the federal government constitute the bulk of governmental receipts, which are compared with budget outlays to calculate a budget surplus or deficit.

Tax Expenditure – Loosely, a tax exemption or advantage, sometimes called an incentive or loophole; technically, a loss of governmental tax revenue attributable to some provision of federal tax laws that allows a special exclusion, exemption, or deduction from gross income or that provides a special credit, preferential tax rate, or deferral of tax liability. The tax exemption or advantage is usually intended to assist a certain group or to encourage a certain activity, such as the purchase of homes. In their impact on the federal budget, tax expenditures are, in effect, subsidies provided through the tax system. Instead of making direct payments to beneficiaries, the government permits certain taxpayers to pay lower taxes than they otherwise would have to pay.

Tax Expenditure Statement – A statement on the effect a measure will have on the level of tax expenditures. The statement is required to appear in the committee report on that measure.

Tax Expenditures Budget – An enumeration of tax expenditures and their levels by major functional categories of the federal budget. A tax expenditures budget is required to appear in the Budget Committee's report accompanying a concurrent resolution on the budget.

Trust Funds – Special accounts in the Treasury that receive earmarked taxes or other kinds of revenue collections, such as user fees, and from which payments are made for special purposes or to recipients who meet the requirements of the trust funds as established by law. Of the more than 150 federal government trust funds, several finance major entitlement programs, such as Social Security, Medicare, and retired federal employees' pensions. Others fund infrastructure construction and improvements, such as highways and airports. Technically, the funds credited to these accounts are restricted by law to their designated programs or uses and are not available for the general purposes of government. Nevertheless, the Treasury borrows from the trust funds for that purpose and the borrowings become part of the public debt.

Unauthorized Appropriation – An appropriation for a purpose not authorized in law or one that exceeds the amount authorized in law. The rules of both houses prohibit unauthorized appropriations in general appropriation bills, but permit some exceptions. In a technical sense, in both houses an unauthorized appropriation also violates the rules that ban legislation on a general appropriation bill, because it proposes to enact a provision of law that does not yet exist.

Uncontrollable Expenditures – A frequently used term for federal expenditures that are mandatory under existing law and therefore cannot be controlled by the President or Congress without a change in the existing law. Technically, such expenditures are referred to as "relatively uncontrollable under current law." Uncontrollable expenditures include spending required under entitlement programs and also fixed costs, such as interest on the public debt and outlays to pay for prior-year obligations. In recent years, uncontrollables have accounted for approximately three-quarters of federal spending in each fiscal year.

Unexpended Balance – The amount of budget authority that has not been spent. The obligated portion of the balance remains available until it is spent or rescinded by law. The unobligated portion of the balance remains available for spending or obligation only until the end of the period for which it was made available. The rules of both houses forbid the reappropriation of unobligated unexpended balances.

Unfunded Mandate – Generally, any provision in federal law or regulation that imposes a duty or obligation on a state or local government or private sector entity without providing the necessary funds to comply. The Unfunded Mandates Reform Act of 1995 amended the Congressional Budget Act of 1974 to provide a mechanism for the control of new unfunded mandates.

Unfunded Mandates Reform Act of 1995 – A law establishing procedures governing congressional consideration of legislation containing unfunded mandates. The Act establishes a point of order in each house against considering a bill or joint resolution that would increase the unfunded costs of intergovernmental (public sector) mandates by more than $50 million, or that is not accompanied by a CBO estimate of the unfunded costs of intergovernmental and private sector mandates. A point of order also lies against an amendment, motion, or conference report that would result in the unfunded costs of intergovernmental mandates in the measure exceeding the $50 million threshold. The Senate may waive any of these points of order by majority vote, and the House may vote to consider a measure, amendment, or conference report notwithstanding the point of order. Under the Act, a mandate may be funded through annual appropriations or direct spending (entitlement) authority. If annual appropriations are insufficient to implement the mandate during any fiscal year, it ceases to be effective unless Congress changes the requirements of the mandate accordingly.

Unobligated Balance – The portion of budget authority not yet committed as payment for specific products or services. In one-year accounts, the unobligated balance expires at the end of the fiscal year for which it was made available. In multiyear accounts, it remains available for obligation for the specified number of years. Unobligated balances in no-year accounts are carried forward indefinitely until either the purposes for which they were provided have been accomplished, disbursements have not been made against the appropriation for two full consecutive years, or they are rescinded by law.

Urgent Supplemental Appropriation Bill – A title sometimes given to a supplemental appropriation bill for political public relations purposes. Such a title has no legal, parliamentary, or procedural significance.

User Fee – A fee charged to users of goods or services provided by the federal government. When Congress levies or authorizes such fees, it determines whether the revenues should go into the general collections of the Treasury or be available for expenditure by the agency that provides the goods or services.

Views and Estimates Report – A report commenting or making recommendations on budgetary matters for the upcoming fiscal year that each House and Senate Committee with legislative jurisdiction must submit to the Budget Committee in its house. The Budget Enforcement Act of 1990 requires the submission of the reports within six weeks after the President transmits his annual budget to Congress to give the Budget Committees time to review the comments and suggestions before preparing and reporting the annual budget resolution.